

NEWS SUMMARY

GENERAL

Airport shooting by Arab gunmen

At least 12 people were injured when Palestinian guerrillas tried to attack an Israeli airliner shortly after it arrived from Tel Aviv at Brussels International airport.

Israeli warning

Israel has threatened to take unilateral action if Jordan does not prevent Palestinian guerrillas from crossing the common frontier.

IRA killing

IRA gunmen shot dead a prison officer in front of his wife and three-year-old daughter as they walked from a church in Co. Tyrone minutes after his sister's wedding.

Earthquake toll

The earthquake which hit the Montenegro coast of Yugoslavia, killing at least 200 people, has caused heavy damage to industry, public utility services and tourism.

Split in Iran

Iran's ruling alliance has suffered two setbacks as Foreign Minister Karim Sanjabi, the National Front leader, resigned and the religious leader Ayatollah Taleqani retired from political activity because of the high-handed behaviour of Islamic militants.

Oil depot raid

Nationalist guerrillas set ablaze a fuel storage depot in Fort Victoria, south-east Rhodesia, with rocket fire on the eve of the internal settlement elections.

Cambodia clash

Heavy fighting has broken out between Vietnamese-led forces and the Khmer Rouge army of the ousted Pol Pot Government in north-west Cambodia.

Sunniest Easter

Thousands of day trippers flocked to the coast yesterday on the last day of the sunniest Easter for 30 years.

Briefly...

British Red Cross is airlifting 350 blankets to the Caribbean island of St. Vincent which is threatened by an erupting volcano.

BUSINESS

Clearing banks 'in breach of law'

ANNUAL ACCOUNTS of the big London and Scottish clearing banks are in breach of the requirements of company law, according to leading chartered accountants.

INDUSTRY DEPARTMENT

plans to launch a fresh tranche of selective industrial aid of between £100m and £150m for major investment projects.

UK SHIPPING

links have formed the United Kingdom/Mediterranean Container Conference to meet competition from Soviet lines and over capacity in liner shipping trades in the Mediterranean.

ADMINISTRATIVE law

for the U.S. Civil Aeronautics Board, has recommended approval for the proposed merger of Continental Airlines and Western Airlines.

WALL STREET

was \$59.58, off 10.92 at mid-session, in active trading.

PAKISTAN'S heavy

international debt repayments seem likely to be rescheduled following the military Government's decision to raise the price of wheat in its ration shops by 40 per cent.

SOVIET UNION

will supply its Comecon partners with more than 60m tonnes of oil this year, at 25 per cent below world prices.

NEW CAR SALES

in the EEC countries will climb by 11.7 per cent from 8.5m last year to 9.5m in 1984, with a cyclical decline to 8m next year.

LADA CARS

from the Soviet Union, has established themselves among the top 10 imported cars in the UK, and importers expect sales to increase 28 per cent this year.

Thatcher calls on Labour moderates to vote Tory

By Richard Evans, Lobby Editor

Mrs. Margaret Thatcher launched a direct appeal last night to moderate Labour supporters to overcome their prejudices and vote Conservative in the General Election as the only way to achieve the social and economic reforms they sought.

In the opening speech of her concentrated election tour the Tory Leader took on Mr. Callaghan in his home city of Cardiff, and mounted her attack on the recent developments she claimed had undermined the former strengths of the Labour movement.

She appealed in particular to committed Labour supporters to recognise that their ideals were being betrayed by the kind of Labour and trade union rule that had grown up in recent years and had culminated in the unrest and ugly industrial incidents of the winter.

"We offer you a political home where you can honourably realise the ideals which took you into the Labour Party in the first place," she declared.

In contrast, the Prime Minister drew a comparison in his election speech last night between the Conservative threat of trade union reform through divisive legislation and the firm agreement reached between Labour and the TUC on voluntary reform.

"The TUC has given me its pledge on these matters—a pledge that will avoid a repetition of last winter. When a Labour Government is elected on May 3 I shall expect the trade unions to live up to this agreement," he said at Leicester.

The speeches represented the start of the campaign proper after an initial week of skirmishing that has left the Tories well ahead in the opinion polls, but not in an impregnable position.

The Tories are leading by 6 per cent according to a National Opinion Poll study in today's Daily Mail. The lead has remained static since NOP's last poll in the Mail on April 4.

Ten per cent of the 1,076 people interviewed were undecided or refused to say how they would vote.

Fed plans tighter borrowing measures

By Stewart Fleming in New York

THE FEDERAL Reserve Board has reinforced the effectiveness of its monetary policy by closing loopholes in its reserve requirement regulations.

The central bank said it plans to add a 3 per cent reserve requirement on borrowings by member banks through the Federal Funds market and through repurchase agreements where the transactions are not with other member banks or foreign branches of U.S. banks.

The Fed move comes in the middle of a growing controversy about the direction of monetary policy in coming weeks. Against a background of continuing strength in the economy and double-figure inflation, the central bank is under pressure to further tighten monetary policy.

Ironically, members of the Carter Administration, including Mr. Michael Blumenthal, Treasury Secretary, have indicated that higher interest rates may be needed to curb inflationary pressures.

Through much of 1977 and 1978 senior Administration officials were frequently critical of the central bank's moves to push interest rates higher.

Economists are divided about the wisdom of a move to push interest rates higher, with many arguing that the economy is already on the brink of a slowdown.

Over the past week the money and bond markets have been responding to fears that the central bank's monetary policy arm, the open market committee, would respond to political pressure by acting to push up interest rates.

The committee meets today to chart monetary policy for the next month, and long- and short-term interest rates have risen significantly in recent days in anticipation that the key federal funds interest rate target could be increased from about 10 per cent to perhaps 10 1/2 per cent or even a little higher.

Iranians place surcharge on oil exports

By Andrew Whitley in Tehran

IRAN has taken advantage of the tight oil market to impose a further surcharge on her crude exports, above the prices agreed at the OPEC conference in March.

Iranian light crude costs \$16.57 a barrel, nearly 13 per cent above the basic OPEC price, while the heavier grades have been priced at \$18.04.

Oil production is being pushed up as far as possible to meet a severe short-term cash flow problem. Output for Friday, the last available figure, was put at 4.7m barrels a day by the National Iranian Oil Company.

Although Iran's return to the oil market as a major exporter will probably wipe out the world shortage this quarter, according to industry sources in Tehran, it is not expected to have any significant effect on spot prices in the period.

There were indications yesterday that when OPEC meets again at Ministerial level in June Iran will be active in seeking a further price rise.

The country's hopes of being able to earn oil revenues approaching the \$21bn a year reached under the Shah, on lesser output, depend heavily on contracts not yet signed.

Western analysts believe that far from being oversold, a substantial proportion of output is being pumped directly into storage tanks at export jetties on the Gulf.

According to the National Iranian Oil Company, average exports from the start of the Iranian New Year, March 21, to last Friday were 2.7m barrels a day, contrasting with the 4m available for export.

Of the total being sold abroad, approximately two-thirds is believed to be going to customers who have signed medium-term purchase contracts with Iran since the revolution in February, and the restart of oil export in early March.

Labour wealth tax would include value of homes

By Peter Riddell, Economics Correspondent

THE Labour Party's proposed wealth tax would take into account the value of a person's house but would exclude partial relief for small businesses.

This was stated by Mr. Denis Healey, the Chancellor, during a radio discussion with Sir Geoffrey Howe, the Conservatives' economic spokesman.

Mr. Healey said that the introduction of a wealth tax should be accompanied by a reduction in the top marginal rates of income tax.

Labour's manifesto proposed an annual wealth tax on people with total net wealth exceeding £10,000. That would affect about one person in 200 or a much smaller proportion, said Mr. Healey, if as he personally preferred, husbands and wives were assessed separately.

He suggested that there could be a 50 per cent relief for the capital value of small businesses, as already applies with capital transfer tax.

In general, Mr. Healey favoured a piecemeal continuation of the type of changes introduced in his last two Budgets. Sir Geoffrey was more radical, while rejecting any idea of a "tax upheaval," he called for a "substantial shift in the shape and burden of taxes."



Sir Geoffrey Howe and Mr. Denis Healey in radio discussion

£ in New York

	April 13	Previous
Spot	\$8.0810-0850/\$8.0755-0765	
3 months	0.85-0.15 dis 2.20-0.15 dis	
6 months	0.85-0.15 dis 0.55-0.50 dis	
12 months	1.25-1.25 dis 1.30-1.15 dis	

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OVERSEAS NEWS

Resignations reveal split in Iran's leadership

BY ANDREW WHITLEY IN TEHRAN

THE COHESION of Iran's religious and secular ruling alliance was dealt a serious blow over the weekend, with the withdrawal from political life of Ayatollah Taleqani, the liberal religious leader from Tehran, and the resignation of Dr. Karim Sanjabi, the Foreign Minister.

The break with Prime Minister Bazargan and the Khomeinist Islamic revolutionary council has brought into the open long-simmering differences in the ruling elite over the direction Iranian society should take.

The immediate cause of grievance for both men is the high-handed behaviour of the Islamic militias run by local committees and acting in the name of Ayatollah Khomeini himself.

Officially, all the committees are responsible to the Revolutionary Council and to Dr. Ibrahim Yazdi, the Deputy

Premier, but in practice they recognise little external authority.

In his letter of resignation, Dr. Sanjabi said progress was impossible in the present circumstances in Iran. He also indicated his frustration at being bound by the doctrine of collective Cabinet responsibility, thus not being able to speak out publicly.

Late last night, the Cabinet was meeting in urgent session to discuss the resignation, which had not been formally accepted or rejected.

Once before, Dr. Sanjabi, 75, had tried to leave the Government, but was persuaded to stay on. Earlier this month, Mr. Assadullah Mobasher, Justice Minister, tried to resign over the activities of the revolutionary tribunals.

The tribunals have not let up over the weekend. Since Friday, another 25 former officials of the Shah's regime

have been executed, most of them in the provinces. Their deaths bring the total of executions to 129.

Dr. Sanjabi's aides said yesterday he was firm in his decision to quit, unless there were real changes in the way Iran was run. Dr. Sanjabi said that the Taleqani dispute had played a part in his own decision.

Last Thursday, two of the Ayatollah's sons, members of the main Left-wing group, the Fedayin-Khalq, were arrested and detained by a powerful Islamic committee in north Tehran.

The Government has been at pains to deny any hand in the affair, or any prior knowledge of it. The two, and a daughter-in-law of the Ayatollah, were later freed.

The Government is investigating the affair, and is understood to be making strenuous efforts to woo Ayatollah Taleqani back to Tehran.

Rhodesia fuel depot set ablaze

By Martin Dickson, Africa Correspondent

NATIONALIST guerrillas set a fuel storage depot ablaze in Fort Victoria, south-east Rhodesia, yesterday, on the eve of voting in the country's "internal settlement" elections. The guerrillas have threatened to disrupt the poll. Rocket fire hit a tank containing diesel fuel and the flames ignited a tank of petrol.

One estimate put the cost of the fire at £125,000. Last December, guerrillas inflicted serious damage on the country's biggest fuel depot. The Rhodesian Government has mounted its biggest security operation for the election, mobilising most white men aged up to 58. It is also believed to have served temporary detention orders on several hundred supporters of the Patriotic Front.

Reuter reports from Lusaka: President Kenneth Kaunda yesterday imposed an 8 pm to 6 am curfew on Lusaka and nearly all other towns in southern Zambia, following raids by Rhodesian troops

Sharp fall in Hong Kong dollar 'will be corrected soon'

BY PHILIP BOWRING IN HONG KONG

THE RECENT sharp fall in the Hong Kong dollar is a market "aberration" which will be corrected, "sooner rather than later," Mr. Philip Haddon-Cave, the colony's Financial Secretary, said yesterday.

As he was speaking, the currency plunged to a new low of HK\$5.17 against the U.S. dollar. Its trade-weighted index (based on December, 1971, Smithsonian parities) also reached an all-time low of 90.2 against its previous low of 90.5 last October.

The weakness of the currency is attributed to the strength of the U.S. dollar and sterling. The primary cause of its weakness however, is attributed to excess domestic demand drawing in a huge volume of imports.

Last year, the visible trade

deficit was HK\$9bn; more than twice its previous peak. For this year, the Financial Secretary has forecast a further increase to HK\$11bn-12bn. February's deficit was the biggest on record.

The deficit has been largely caused by rapid growth of credit more than 40 per cent up on a year ago. Faced with this, the currency market has reacted strongly, but belatedly. The sale of the Hong Kong dollar has gathered momentum despite successive increases in interest rates.

Last September, the best lending rate was only 6 per cent. Now, it is 11.5 per cent. The Government hopes that these increases will at last stem the demand for money and lower the rate of money supply

growth, ensuring decreased domestic demand.

It can at least take comfort from the fact that wage rates appear to have grown by no more than 15 per cent during the past year. The outlook is for higher consumer prices, and increased export sales. Both point to a steady or improvement in the Hong Kong exchange rate.

From next month, the Government's own short-term deposits with local banks, which represent about 9 per cent of domestic deposits, will be treated as interbank deposits requiring 100 per cent liquidity cover rather than the 25 per cent for ordinary deposits.

Long-term Government deposits will continue to be subject to the 25 per cent requirement.

Yugoslav coast devastated

About 200 people are reported to have been killed in the earthquake which hit Yugoslavia's southern coast at the weekend, Alexander Lebl writes from Belgrade.

Damage, estimated from aerial surveys to run into several hundred million dollars, has been caused to roads, railways, ports, water supply and communication systems, the Bijela ship-repair yard, and other industrial plants.

Especially hard hit will be tourism. Most hotels have been destroyed or heavily damaged and it may be assumed foreign tourists will be reluctant to go to an earthquake-prone area.

Kampuchean battle

Heavy fighting is said to have broken out yesterday between Vietnamese-led forces and the Khmer Rouge army of the ousted Pol Pot government in north-west Kampuchea, Reuter reports from Bangkok. Thai officials said small groups of Kampuchean were fleeing into Thailand but 40,000 to 50,000 others were still penned into a small salient of Kampuchean territory south of Poipet.

Estel captured

The Nicaraguan National Guard fought isolated snipers yesterday in the northern city of Estel after most of the Sandinist guerrillas who held it for a week fled to the mountains, an official communique said. Reuter writes from Managua. The insurgents' Radio Sandino confirmed that the guerrillas had evacuated the city leaving volunteers behind to cover the withdrawal.

Irish oil plan

About a million barrels of crude oil stored near the centre of January's Bantry Bay oil tanker disaster are likely to be made available soon to ease the Irish Republic's fuel shortage, the Press Association reports. The oil, held in reserve for some years, has been left untouched since a huge explosion on a French ship killed 51 people and damaged the unloading jetty. Floating pipelines may have to be used to get the crude oil from the storage tanks.

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PLO airport attack foiled

By Giles Merritt in Brussels

THE BELGIAN Government was last night assessing details of the attack by the Palestine Liberation Organisation guerrillas at Brussels's Zaventem airport. It is understood that although PLO operations against Israel's El Al national airline had been discontinued for some time, the Belgian authorities had had advance warning of a possible attack over the Easter holidays.

The abortive guerrilla raid, by three or four Palestinian extremists was unleashed at Belgium's international airport at 1.45 am yesterday afternoon, shortly after a scheduled El Al Boeing 707 flight from Tel Aviv had landed. An attempt to reach the aircraft by terrorists, who later claimed to belong to the PLO was foiled, and resulted in a shoot-out in the airport's main passenger area.

Taking advantage of the public balcony that overhangs the taxi free zone at Zaventem, the terrorists threw down a grenade type device onto a queue of arriving passengers they apparently believed to have just disembarked from the El Al flight. The bomb was not powerful enough to cause serious damage

Row over Dayan remarks on Golan Heights future

BY DAVID LENNON IN TEL AVIV

MR. MENAHEM BEGIN, the Israeli Prime Minister, yesterday asked Mr. Moshe Dayan, the Foreign Minister, to explain remarks he made about the future of the occupied Golan Heights which have caused a major political row in Israel.

Mr. Dayan said on Sunday night that Israel may give up the Golan Heights in exchange for peace or retain the Syrian territory and forgo peace.

Israel has built 27 Jewish settlements on the Golan Heights after occupying the region in the 1967 war. The Foreign Minister said that Israel may have to choose between peace or retaining these settlements.

Coalition and opposition politicians were enraged by Mr. Dayan's remarks. Some called for his resignation accusing him of betraying the Golan settlers. Opposition spokesmen said that after agreeing to dismantle Jewish settlements in Sinai, the Government was now making a similar offer to the Syrians.

Speaking to Jewish settlers on the occupied West Bank, Mr. Dayan said that Syrian

sovereignty over the Golan before 1967 was internationally recognised, just as was that of Egypt over Sinai. Because of this, he said, a situation may arise where Syria would demand full evacuation of the Heights in return for a peace agreement just as Egypt had made the Israeli evacuation of all Sinai a condition for a peace agreement.

Mr. Dayan made his remarks about the Golan while assuring the West Bank settlers that their situation was different because there was no clear sovereignty over that area, which had been controlled by Jordan for 19 years. He stressed that although the planned self-rule for the West Bank and Gaza Strip, Palestinians was an interim arrangement, Israel would never agree to the creation of a Palestinian state in these areas.

Meanwhile, an Israeli general has warned Jordan that if it cannot prevent Palestinian guerrillas crossing their common border, Israel will take unilateral action. This follows the infiltration of four Palestinian guerrillas from Jordan into Israel on Sunday.

Pretoria united over spy claim

By Quentin Peel in Johannesburg

SOUTH AFRICA has denied any connection between its allegations of espionage by U.S. diplomats and the imminent collapse of the western initiative for a peaceful settlement in neighbouring Namibia.

The allegation, which has not been denied by the U.S. Government, has, however, succeeded in reuniting South Africa's divided white leadership.

The bizarre story revealed by Mr. P. W. Botha, the South African Prime Minister, last week that the personal aircraft of Mr. William Edmondson, the U.S. Ambassador, had been fitted with an aerial survey camera still contains many unexplained details. One is why the story first leaked out in Rhodesia, more than 24 hours before Mr. Botha made his announcement. Another unexplained fact is why the U.S., whose satellites are capable of highly-detailed aerial photography, should have needed to hack it up with such a relatively unsophisticated technique.

Ecevit faces Ministers' revolt

BY METIN MUNIR IN ANKARA

MR. BULENT ECEVIT, Prime Minister of Turkey, has received a severe political blow. Six of his Cabinet Ministers have revolted, confronting him with what amounts to an ultimatum.

The move comes at a critical time in Mr. Ecevit's battle to stabilise the Turkish economy. The six, who issued a joint public memorandum, belong to a group of 11 Right-wing deputies on whom Mr. Ecevit's slim National Assembly majority rests.

They are Mr. Enver Akova, Mr. Ali Riza, Septioglu and Mr. Mustafa Kille, all Ministers of State; Mr. Orhan Alp, Industry Minister; Mr. Gunes Ongul, Communications Minister; and Mr. Ahmet Karaslan, Housing and Reconstruction Minister.

The memorandum complained that the proposals of the six had not been taken into consideration in relation to the three biggest problems facing Turkey. These, it says, are political violence, the economic crisis, and Kurdish separatism, issues which could push Turkey into circumstances "impossible to correct."

Mr. Ecevit was criticised for allowing the State mechanism "to be penetrated by extremist elements" to the danger of Turkey's national and territorial integrity. The Government should urgently find foreign economic aid to break the economic bottleneck and favour private enterprise, the memorandum added.

It is more of a public warning than a threat to quit the Government. The six could bring down the Government if they resigned.

Three other Ministers belonging to the group of 11 (only one is not a Cabinet Minister) sympathised with the revolt, without taking part.

The outcome is difficult to assess. It can be argued that the six revolted to enhance their bargaining position and improve their public images.

If this is correct, once Mr. Ecevit bows to their complaints—as he is widely expected to do—the revolt will end and the Government will crack along. It can also be argued that this may be the beginning of the end for Mr. Ecevit.

Pakistan decides 40% wheat price rise

BY CHRIS SHERWELL IN ISLAMABAD

A RESCHEDULING of Pakistan's heavy international debt repayments looked more likely yesterday following the military Government's decision to raise the price of wheat in its ration shops by a full 40 per cent.

The decision, which had been expected for some time, is aimed at lightening the consumer subsidy burden in the

Government's budget. Pakistan's Western creditors, which are due to hear a request for rescheduling when they meet in Paris in June, have quietly insisted on action to curb excessive domestic spending.

The military government promised last year to do something about the wheat price subsidy. In this year's budget the subsidy was expected to

devour some \$140m—more than 5 per cent of all non-development expenditure.

The move lifts the price of wheat in ration shops in Pakistan's towns and cities from Rs32 (£1.55) per maund (37.3 kilograms) to Rs45 (£2.18). How far the decision will go in ensuring a rescheduling is unclear, but the Government hopes that it will help significantly.

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Jean-Francois Noël, Chemical banker. Photographed with Weyerhaeuser purpose-built forest products vessel, Antwerp.

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Weyerhaeuser Director Treasurer's

Department-Europe, Edmond van Wijngaarden and Chemical banker, Jean-Francois Noël, improve on this tailor-made system continuously.

Every day, a variety of forest products leaves the West Coast of the USA and Canada for delivery anywhere from Antwerp to Alexandria. And Noël helps smooth the way for the Weyerhaeuser customers' ever-changing multi-million dollar credit arrangements.

Noël is only part of the customer-banker relationship. Another part is William H. Adams, head of Chemical Bank's San Francisco regional headquarters. As a main link with Weyerhaeuser's Treasurer William C. Stivers, Adams coordinates all groups in the bank as they relate to

the company and has helped Stivers with foreign exchange, domestic and international collection, importing and financing arrangements; he has helped establish on-line communication through ChemLink, Chemical's financial management system, as well as computer-to-computer transmission of lock box information.

Whether the team is Stivers and Adams in the United States, or van Wijngaarden and Noël in Europe, they'll tell you that mutual understanding and respect are what make the relationship prosper. That's what usually happens when corporate officers get together with Chemical bankers. And what results is bottom line benefits for both the company and the bank.

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مكتبة العبد

New policy for Arab loans fund as president resigns

BY JAMES SUTTON

THE FUTURE of a big Arab aid-giving institution, the Arab Fund for Economic and Social Development (AFESD), which has been unable to make new loans for more than a year, has been partly resolved at a meeting over the week-end in Kuwait. Arab Finance Ministers accepted the resignation of the fund's president, Dr. Saeb Jaroudi.

The fund's 21 Arab shareholders, led by Kuwait and Saudi Arabia, last year refused to increase its capital or let it borrow commercially because of dissatisfaction with Dr. Jaroudi's management and lending policies.

That meant the fund had to stop taking on new loan commitments, because by the end of 1977 it had already committed almost KD300m (£550m) in development loans to Arab

countries, while its paid in capital was KD135.5m. The fund's paid in capital was due to reach KD370m by 1984, while disbursements lagged well behind commitments.

A year's deadlock has ended with the resignation under pressure of Dr. Jaroudi, a Lebanese. He is to be replaced by Dr. Mohammed Imad, currently Minister of Economy in Syria, but until he takes over the fund will be managed by Dr. Abdlatif al Hamad, director general of the Kuwait Fund for Arab Economic Development.

The shareholders agreed to fill the gap between the authorised capital of KD 400m and the subscribed capital of KD 370m, and to pay up all the subscribed capital by 1982, two years ahead of schedule, but they will not allow the fund to borrow commercially.

The fund should now be able

to lend about KD 30m—KD 40m a year until repayments on existing loans come in, compared with the annual commitment in 1977 of about KD 100m.

The main disagreement between the shareholders and Dr. Jaroudi, who ran the fund since it started in 1972, was over lending policy. The AFESD found it hard to identify good projects to finance involving more than one Arab state which was one of its main objectives.

As a result it concentrated on lending to individual Arab states, which the big bilateral Arab aid funds of Kuwait, Saudi Arabia and Abu Dhabi regarded as an infringement of their own role.

Another issue was the cost of operating the Kuwait-based fund. At last year's annual meeting Dr. Abdul-Rahman al-Ahqi, the Kuwaiti Finance Minister, strongly criticised the fund's administrative expenses. This year's administrative budget has been agreed at KD 2.1m last year.

With its reduced lending capability the AFESD will now try to develop a stronger capability for identifying interesting Arab projects and to act more as a catalyst in attracting money from other aid funds to the projects it identifies.

Japan plans to end lease deals

By Richard C. Hanson in Tokyo

JAPANESE Government officials have reached agreement in principle to eliminate favourable deals by which aircraft have been leased to foreign parties under last year's emergency import scheme.

It is possible that any leasing contracts currently under negotiation will be allowed to go through. A formal decision on the matter is expected over the next few days.

It appears that the emergency import scheme itself will be extended until September, but that the interest rate charged on foreign currency loans through the Export and Import Bank of Japan will be raised by about 1 per cent from the previous 6.0-6.25 per cent.

The Ministry of International Trade and Industry (MITI) has been pushing strongly for the continuation of the aircraft leasing programme under the same terms as last year. The Finance Ministry opposition centred on the problem of entering such imports in its trade statistics, and the granting of very favourable interest rates under the programme.

Comecon countries will receive more Soviet oil

BY DAVID SATTER IN MOSCOW

THE SOVIET UNION will supply its Comecon partners with more than 80m tonnes of oil this year, an apparent increase over oil deliveries to Comecon in 1976 and 1977.

Radio Moscow said the oil will be sold to the Comecon countries at 25 per cent below world prices, saving its recipients 1bn roubles (£740m) for the year.

During 1976-80, the Soviet Union will have supplied its Comecon partners with 400m tonnes of oil, 50 per cent more than in 1971-75 at a total savings to them of over 5bn roubles.

The promised 1979 oil deliveries cannot be compared with deliveries in 1978 because the Soviets have given no value or volume figures for oil exports in 1978.

The Soviet weekly Ekonomicheskaya Gazeta, however, has reported that exports of fuel and raw materials accounted for almost half of Soviet exports last year, and that exports of oil, oil products and gas all increased over 1977 levels with most of the increase going to Comecon.

The Soviets are believed to have exported approximately 140m tonnes of oil in 1976, with 70m tonnes going to Comecon and 180m tonnes of oil in 1977, with between 70m and 75m

tonnes going to Comecon.

The news that the Soviets are planning their highest known level of deliveries to Comecon in 1979 comes after the appearance of a new CIA report confirming an earlier prediction that Soviet oil production would peak in 1980 and then decline steadily, forcing a reduction in exports to Comecon or the West.

It was announced recently that the Soviet Union planned to sell 10m tonnes of oil to Hungary this year as against 8.5m tonnes in 1978 and 800,000 more tonnes of oil and oil products to Poland than had been envisaged under the

long-term agreement.

Soviet shipbuilders are constructing a new type of oil tanker which should not pollute the sea even in the event of an accident, the Soviet news agency, TASS, has reported.

The tankers, with a dead-weight of 65,000 tonnes, will have a second hull inserted inside the outer hull. The hulls will be separated by a space of two metres, which will be pumped full of ballast water.

The tankers are to be equipped with mechanisms to prevent oil explosions and will have a system for automatically avoiding floating objects encountered on course.

China to step up shipping

HONG KONG—China will soon enter the world shipping market and charter its rapidly growing fleet "for the carriage of freight to all parts of the world," Chinese Government officials have announced.

China has been an aggressive buyer of used and new ocean-going ships in recent years, and last year placed a \$100m (£47m) to purchase eight roll-on, roll-off freighters from Japan's Kawasaki Heavy Industries. It is also building ships in its own yards, and has begun ambitious plans, with foreign technical assistance, to modernise its ports, including the installation of computerised containerisation terminals at five seaports.

Much of the new shipping capacity is expected to be used to meet China's own freight-carrying needs as it expands its trade contracts with the rest of the world.

AP-DJ

Iranian cargo backlog

BY SIMON HENDERSON IN TEHRAN

DESPITE the formal ending of customs strikes in Iran two months ago, much cargo, particularly in containers, is held up at the country's land and sea borders.

Last month the Bazargan Government issued an order saying importers need not pay demurrage, or layover charges, for goods which arrived during the strike period from last October until the revolution in February. However, in practice, importers say that this has had little effect.

There are still several thousand containers lying around Tehran's warehouses as well as at the ports of Khoramshahr, Bandar Shapur and Bandar Abbas. Some belong to firms

now in liquidation. Other owners are arguing that the strikes which have affected traffic are the Government's responsibility, and they are refusing to pay the demurrage being demanded.

The containers with the best chance of being cleared promptly are those containing pharmaceuticals and foodstuffs. Such cargoes were cleared throughout the strike, and they amount to 20 per cent of the traffic.

One concern reports it has 5,000 containers held up at an average cost of \$3 per container per day. Many cargoes were off-loaded at other Gulf ports during the troubles and customers were made responsible for further shipping.

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Lada sales drive planned

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

LADA CARS from the Soviet Union have this year established themselves among the top ten imported cars in the UK. And the importers, Satra Motors, expect to consolidate that position with a 28 per cent sales increase in 1979 to 23,000.

Last year's registration of 18,000 Ladas was a 46 per cent jump from the 1977 total.

Satra is about to launch a spring promotional campaign

for the Lada and to mark the event is offering a limited edition of the Lada 1200 LE. The 350 "specials" will be fitted with extras at the Lada import centre in Bridlington, North Humberside and the price will be £2,202 or £162 more than the standard version.

Satra is also expecting shipments of the Soviet-designed, four-wheel-drive vehicle, the Niva, to arrive in time for a May launch.

Canton trade fair

The 45th Canton Trade Fair opened over the weekend with some 6,000 foreign businessmen in attendance, Reuter reports from Peking. The Fair was featuring agricultural products, and was promoting exports of textiles, light industrial products, handicrafts, heavy industrial goods and mineral products. The bi-annual fair closes on May 15.

EEC potato processors seek curbs against U.S.

BY CHRISTOPHER PARKES

EUROPEAN potato processors are campaigning for protection against cheap imports of instant mash and other dehydrated potatoes from the U.S. and Canada.

Pressed by the French industry, the Paris Government has asked the EEC Commission to investigate charges that the North Americans have been "dumping" in Europe at prices below the cost of production.

The British industry, squeezed by the cheap imports and rising potato prices, is being aided by government subsidies on raw materials worth about £25 a tonne.

The four processing companies in the UK, led by Cadbury-Typhoo and Dornay Foods, are secretive about market shares, output and income, but it is understood that the granule sector, which accounts for about 3 to 5 per cent of the whole market for dehydrated potatoes, is worth about £15m a year.

An industry spokesman said that he hoped the forthcoming

EEC marketing regime for potatoes would include a section to provide for surveillance of imports. The German Government, he pointed out, already listed dehydrated potatoes as a "sensitive" product.

Potato prices have climbed steadily in the UK in recent months, following action by the Potato Marketing Board to buy up surpluses. Most have been sold cheaply as feed for cattle.

The extent of the surplus appears to have been over-estimated, and sales for animal feed have been stopped. The board is now beginning to release some of its "surplus" purchases back on to the open market to prevent any risk of a shortage.

The potatoes being sold cheaply to the processors are also coming from the board's stockpile. Farmers holding the reserves are to be paid £25 a tonne from government funds and then permitted to negotiate fetching up to £90 or £100 a tonne, most sell for around £50 to £55.

World Economic Indicators

	INDUSTRIAL PRODUCTION				% change over previous year	Index base year
	Feb. 79	Jan. 79	Dec. 78	Feb. 78		
UK	116.4	102.9	111.2	107.3	+2.9	1975=100
W. Germany	116.2	107.9	122.0	123.2	+3.5	1970=100
Japan	127.4	127.4	127.5	119.4	+4.7	1973=100
Italy	131.1	130.9	118.6	122.4	+8.2	1970=100
U.S.	151.2	150.8	150.4	152.8	+8.5	1967=100
France	Jan. 79	Dec. 78	Nov. 78	Jan. 78		
	132.0	132.0	130.0	126.0	+4.7	1970=100
Holland	117.0	125.0	121.0	116.0	+0.9	1967=100

£100m in Boeing bids offered to UK companies

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

UK AEROSPACE equipment companies are being given the chance this year to bid for more than £100m worth of work on the new Boeing 757 short-range, twin-engine jet airliner, in addition to supplying the Dash 535 version of the Rolls-Royce RB211 engine for that aircraft.

Boeing has now formally launched the 757 as a major programme for the 1980s, with an estimated total investment of close to \$1bn (£500m). It has already won orders for 19 aircraft from British Airways and for 21 from Eastern Airlines of the U.S., worth in all more than £400m.

Both airlines have specified the RB-211-535 engine, but Boeing will also sell the aircraft with the rival General Electric CF6-32 engine, if customers want it.

Boeing executives told me during a recent visit to Seattle that they were "disappointed," but not worried, by the recent spate of orders for the rival A-310 version of the European Airbus.

They accept that Airbus Industrie in Europe is now the principal competitor for medium and short-range aircraft — the "semi-wide-bodied" twin-engine 767 and the smaller, narrow-bodied 757.

But Boeing is still confident

that it can win a substantial share of the expected orders for aircraft in these categories, estimated to amount to well over 2,000 by 1990. Of this market, 43 per cent is expected to be in the U.S., where so far Airbus Industrie has not done as well as in Europe.

Apart from work on the RB-211 engines and associated systems, Boeing will be offering UK companies what it calls "bid opportunities" this year to supply parts and equipment for the 757 worth over \$200m (£100m).

Much of the equipment, including flight-deck instruments, hydraulics, flying controls and other systems, for the 757 have already been settled, and some of this will be common with the 767.

But Boeing says it still has to settle the bulk of the 757 work, including moving parts of the wings and some fuselage body sections. Short Brothers and Harland of Belfast is understood to be interested.

Boeing is planning the first flight of the 757 in the spring of 1982. This means completing all pre-production planning by next spring to enable metal-cutting in the early summer. First deliveries are set for January, 1983.



NOW WASH YOUR HANDS?

It's a predicament you have probably found yourself in at one time or another. When you wash your hands in a washroom like this one, you can end up with more germs than you started with.

You use a gungy sliver of soap that's been handled by dozens before you.

Then you discover that the towel's jammed again, so there's only a dirty, sodden piece of cloth to dry your hands on.

For the user, janitor, or manager, it's not a pretty picture.

Yet our solutions are beautifully simple. Kimberly-Clark hand towel dispensers give everyone a clean, disposable towel, every time. No jamming. No germs.

Our soap dispensers give everyone a clean portion of soap, every time. No gunge. No germs.

And to keep employees happier as well as healthier, we have a range of soft toilet tissue.

While it offers them a little home comfort at work, it won't cost you any more than the hard stuff.

In fact, our whole washroom system is designed to save you money. You'll save time too, with our easy-maintenance, free servicing and programmed deliveries.

So you see, you really can't afford to wash your hands of the washrooms.

Kimberly-Clark. Simple solutions to hygiene problems.
 For a copy of 'Simple Solutions', our guide to hygiene and safety at work, write to Kimberly-Clark Limited, Department FT174, Industrial Division, Larkfield, Maidstone, Kent ME20 7PS.

UK NEWS

Ashley will not move to Tarmac

BY PAUL TAYLOR
MR NEIL ASHLEY, managing director of Amey Roadstone Construction, has decided not to take up his appointment...

Thistle damage may be £5m

BY KEVIN DONE, ENERGY CORRESPONDENT

DAMAGE to the offshore loading buoy at the North Sea Thistle Field is likely to cost the company developing the field about £3m-£5m to repair.

This programme has been brought ahead of earlier plans because of the danger of production rates slipping back. There is some disagreement among the partners about the recoverable reserves in the field.

Top-level changes ahead at Deloitte's

BY MICHAEL LAFFERTY
A NEW senior management structure is being introduced at Deloitte Haskins and Sells, one of the biggest of the UK accounting firms.

11.7% rise forecast in EEC car sales

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

NEW CAR sales in the EEC countries will increase 11.7 per cent from 1978 to 1979, says a new survey by the EEC.

Boosting sales and attracting jobs is aim of Cornwall fair

BY ANTHONY MORETON, REGIONAL AFFAIRS EDITOR

MORE THAN 60 companies will be expected to take part in a drive to boost the industrial economy of Cornwall when the first Cornwall Industries Fair is opened in Camborne.

The Midlands has to be content with by-passes around Camborne, Redruth, Bodmin and Launceston. The county therefore has uphill battle in attracting industry into a part of the country which, environmentally, has everything going for it.



Russians' rate cuts brings shipping lines together

BY LYNTON McLAINE

COMPETITION from Soviet shipping lines and over-capacity in liner shipping trade in the Mediterranean has encouraged a number of UK lines to form a new shipping conference with effect from today.

London gets new Tube line on Mayday

By Maurice Samuelson

THE Jubilee line, the latest addition to the London Underground, will be opened by Prince Charles on April 30 and will open to the public on Tuesday, May 1.

Public sector borrowing rise feared

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

PUBLIC SECTOR borrowing in the present financial year will be about £10bn unless further action is taken, according to City stockbrokers Phillips and Drew.

Improving the vital road network, the A30, to dual carriageway standard is years away. Such improvements have been made short seven miles south of Okehampton, in Devon, and although the intention is to upgrade the busy road to dual carriageway as far as Camborne it will probably be another decade before that is achieved.

Cardiff radio short list

THE Independent Broadcasting Authority has short-listed four candidates to bid for the Cardiff commercial radio franchise.

NEWS ANALYSIS—MICRO-ELECTRONICS INVESTMENTS

Scots review promotion efforts

BY JOHN LLOYD

THE PUBLICATION last week of a strategy for the micro-electronics industry in Scotland prepared for the Scottish Development Agency by consultants Booz, Allen and Hamilton...

The leading criteria are the political and economic environment, profit opportunity, the attitude of the workforce (manifested by absenteeism, productivity, turnover and stability), availability of labour, the attitude of the host government and financial incentives.

agencies, five Scottish new town development corporations, the SDA, the Scottish Economic Planning Department, the Scottish Council, the Highlands and Islands Development Board, and on a national level the Department of Industry, the Manpower Services Commission, the Professional and Executive Register, the industry training Bureau and the Invest in Britain Bureau.

WORLD VALUE OF THE POUND

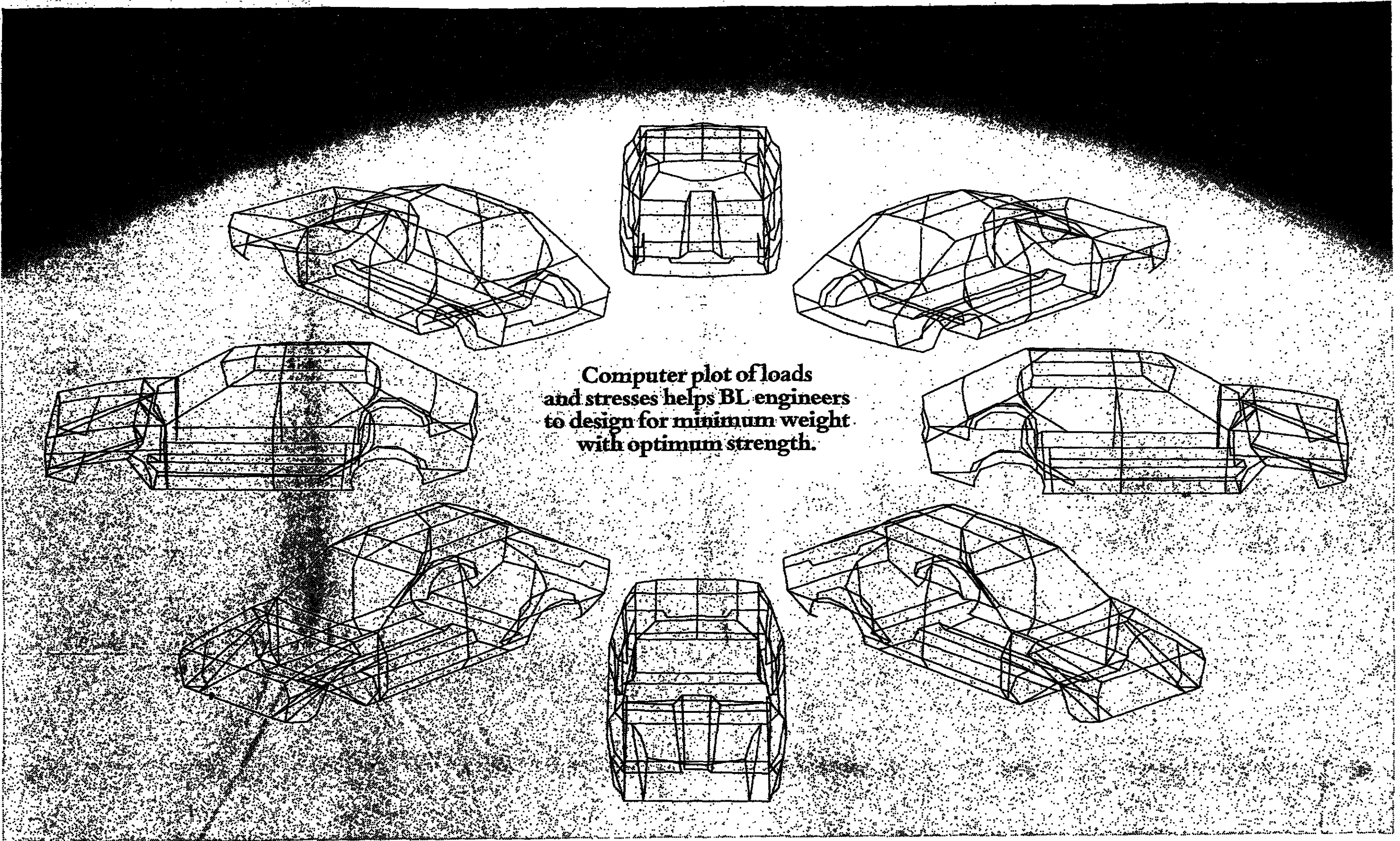
The table below gives the latest available rates of exchange for the pound against various currencies on April 17, 1979, in some cases, rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise.

Table with 4 columns: PLACE AND LOCAL UNIT, VALUE OF £ STERLING, PLACE AND LOCAL UNIT, VALUE OF £ STERLING, PLACE AND LOCAL UNIT, VALUE OF £ STERLING. Lists various countries and their exchange rates.

Foreign exchange. We deliver. Competitively. Test us. Midland Bank International logo and address.

HIGH TECHNOLOGY BL

forecast sales
CUSTY CONSUMERS
cuts bring together



The world's motor industry suffers as much as any other from overcaution.

Someone comes up with a good concept—it may be turning an engine sideways to make more room for passengers, hydrostatic suspension, electronic ignition, even something as simple as a fifth door—and everyone else follows along obediently in their wake.

This kind of thinking makes sense if you don't have innovative skills and technological resources of your own.

But at BL we have both.

And it shows in our products, past and present.

From the Mini to the new Rover series.

Advanced technology has always had its place. But with tomorrow's generation of motor vehicles it will become more vital than ever.

And not just with cars.

Escalating transport costs are demanding better performance from commercial vehicles.

There is a growing awareness of the need to design buses and other public service vehicles for passengers as well as operators.

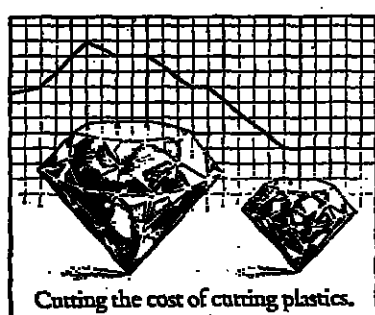
The latest research and production facilities will make the fullest use of micro-electronics and lasers. Photometrics. Holographics. Computer engine testing.

And computer aided design.

Techniques that set design and production engineers free to concentrate on engineering.

Nowhere is all this more evident than at BL.

Diamonds are not forever.



Certainly not when they're diamond tools used to cut through plastics and other non-ferrous materials at high speed. So, in a joint venture with Birmingham University, BL Engineers have developed a new range of polycrystalline cutting tools.

Tiny fragments of diamond that are sintered together to form a cutting edge that far outlasts conventional tools. Cutting the cost of cutting. And boosting production.

Best in the world at testing engines.

These days a new truck has to earn profit from the day it's delivered.

So its engine test is critically important.

Our new commercial engine proving centre at Leyland, commissioned in 1978, is the world's most advanced. Using computer systems to put engines through an exhaustive series of performance tests. Only when every single test has shown that the engine is up to specification is it allowed back onto the production line.

Ready to start earning money from day one.

A bus designed for the people who really need it.

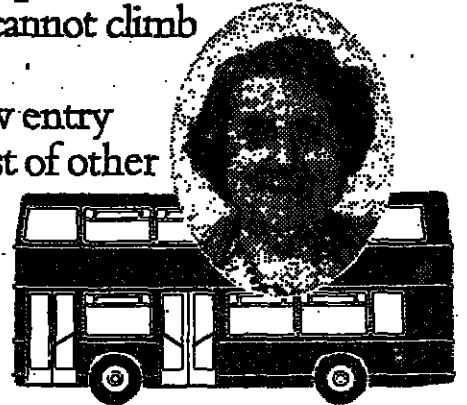
"Human factors studies" is jargon for some extremely valuable research. Studying how

people live, how they go to work, even how the human body operates. And then building this knowledge into our vehicles.

Our new Titan double decker bus is a shining example of this technology.

Our engineers found that literally millions of elderly people don't use today's buses, simply because they cannot climb up into them.

The Titan's low entry step, along with a host of other "human factors" features have just won an important ergonomics award for BL engineers.

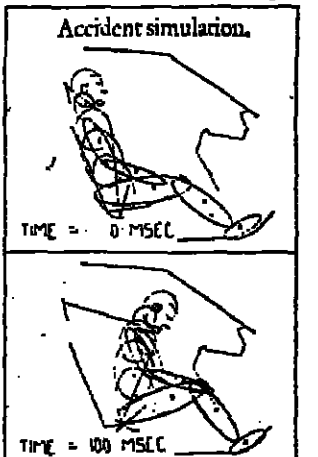


And could give an extra two million old people the chance to go by bus.

60-0 mph in 100 milliseconds.

Nobody likes car crashes. But they happen. And it's important to know what happens to passengers in an accident. So we crash all our new cars hundreds of times even before they leave the drawing board.

This isn't as expensive as it sounds. Because we simulate the accidents on our computer, as part of our computer aided design programme. And in many aspects of this extremely advanced technology, we lead the world.



BL Limited

APPOINTMENTS

Top Executives
If you are finding your talents wasted - we can help.
In the serious business of marketing yourself MINISTER EXECUTIVE provides the professional, individual and comprehensive career counselling service that has achieved outstanding results.

COMMODITY BROKER
ACCOUNTS REPRESENTATIVE
Five Floor Salisbury Court, Leadenhall Street, London EC3A 3LN. Tel: 01-493 8055

BERMUDA
YOUNG QUALIFIED ACCOUNTANT
A major reinsurance company is looking for a young (mid-twenties) C.A. as its chief accountant in Bermuda.

A company with modern offices in Mayfair is offering a lucrative possibility to a
COMMERCIAL ASSISTANT
with knowledge of the Greek language.

ADMIN/FINANCE DIRECTOR DESIGNATE
£9,000 NEG.
We are an operating subsidiary of a public group. The company specialises in components and equipment to the electronics industry.

ART GALLERIES
AGNES GALLERY, 43, Old Bond St., W.1. Tel: 01-493 5176.
THE PARKER GALLERY, 2, Albemarle Street, Piccadilly, W.1. Tel: 01-493 5176.

APPOINTMENTS WANTED
GERMAN BANKER, BA 1, Econ./M.A. 1. Bus. 2. seeks post with intern. bank in London or abroad. Tel: 01-493 5176.

UK - ELECTION NEWS

TUC reminded of reform obligations

BY JOHN HUNT
THE PRIME MINISTER emphasised last night that Labour wins the election he will expect the Trades Union Congress to fulfil all its promises on union reform.

Unionist split averted

BY STEWART DALEY
A POTENTIAL split in the Ulster Unionist ranks which could have given the marginal Northern Ireland seat of Mid-Ulster to the main Catholic moderate party (SDLP) has been averted with the withdrawal from the race of Mr. Edwin Furness, the Official Unionist candidate.

ACCOUNTANCY APPOINTMENTS

Financial Controller
COMPUTER SYSTEMS
A major distribution company based in the North West whose operations are highly geared to its computer systems requires a Chartered Accountant or A.C.M.A. to take responsibility for the creation and management of financial control systems for its computer operations.

Internal Auditor
circa £8,500
The SmithKline Corporation is an expanding multi-national pharmaceutical company with headquarters in Philadelphia, USA.

Constituency focus: KENSINGTON

Newcomers threaten Tory haven

BY MALCOLM RUTHERFORD
KENSINGTON has been synonymous with Conservatism for so long that few people seem to have realised that it has become a marginal seat.



Labour candidate Mrs. Ann Holmes at Paddington

win, he has to bring out the Tory vote in Kensington South. It is left to Mrs. Bobbie Vincent-Emery, the Liberal candidate, to attempt to bridge what she calls in her literature the "North-South gap."

Table with 4 columns: JOB TITLE, SALARY, LOCATION, ADVERTISER. Lists various accountancy appointments with details on salary and location.

COMPANY NOTICE
OMRON TATSUJI ELECTRONICS CO.
BEARER DEPOSITORY RECEIPTS
NOTICE IS HEREBY GIVEN that at a Meeting of the Board of Directors of the above company held on 12th March 1979 it was resolved to make a free distribution of bearer depository receipts to the holders of ordinary shares of the company.

More help likely for small firms

BY JOHN ELLIOTT, INDUSTRIAL EDITOR
ONE OF the more glaring omissions from the Labour Party's manifesto is any list of proposals for helping small companies - apart from a general statement that they should be encouraged in inner cities and that they should be given employment subsidies.

ACCOUNTANT
Aggressive international freight forwarding company with offices in UK, USA and on the Continent, requires a Chartered or Certified Accountant with at least 3 years' experience, to manage its Accounts Dept. at Heathrow Airport.

PUBLIC NOTICES
CERTIFICATES OF TAX DEPOSIT
H.M. Treasury give notice that from Thursday, 19 April 1979, the rate of interest on new deposits accepted under the terms of the prospectus dated 28 August 1978 and applied in favour of the account will be 11.75% and on deposits withdrawn for cash will be 8.75%.

PUBLIC NOTICES
BANK OF SCOTLAND
30 Bishopsgate, London EC2P 2EH.
VARIABLE RATE REDEEMABLE STOCK 1982
For the six months from 14th April, 1979, to 14th October 1979 the Interest Rate on the above stock will be 12.0625% per annum.

Vertical text on the far right edge of the page, including 'Alto men', 'Prop', 'MPs', and 'Lab'.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

METALWORKING

Cutting of plates speeded

OUTPUT OF profile cutting machines can be doubled, it is claimed by using a device called the Lavesey Alternating Plate-changer.

It consists of two power-driven tables upon which the plates to be cut are supported during profiling. The tables, running on rails, are constructed so that one, the under-table, can pass through the other.

The rails can be laid on or set into the factory floor to align with the profiling machine and carry the tables to and from the stock area in or outside the main production facility.

While a plate is being profiled on the top table, the table underneath is loaded with the next plate to be cut. As soon as the top plate is cut the top table is moved away and the built-in hydraulic system of the under table lifts the plate it is carrying into the correct and level position for cutting.

This sequence of events becomes a repetitive work pattern ensuring that actual cutting time is at an optimum while material handling and craneage time is reduced dramatically. A table travel speed of 65 feet per minute ensures that a new plate can be positioned under

the cutting torches within two minutes. Power to the tables is carried on self-reeling drums fed out from ducils laid between the rails.

Both tables incorporate a water circulation system in which water is maintained at a height just below the underside of the plate. This absorbs almost all the iron-oxide dust being ejected from the cut path and, claims the manufacturer, creates a much healthier atmosphere for the operator in addition to reducing maintenance problems caused by the metallic dust affecting electrical equipment.

Further details can be obtained from B. W. Lavesey Engineering, Station Street, Rothley, Morayshire. (Rothley 555).

Tackling UK market

FIRST DISTRIBUTOR to be appointed outside Germany for machine tools manufactured there by Hermann Becker KG, of Ulm, is Eahn and Kolb (Great Britain), Leicester Road, Rugby, Warwickshire (0783 74261).

Among the company's products are deep-hole drilling and fine boring machines, and twin-head facing and centring machines which can be supplied with automatic loading equipment.

COMMUNICATIONS

Pulse code testing set

WANDEL AND GOLTERMANN (UK), 40, High Street, Acton, London, W3 (01-892 6781) has an automatic measuring set intended for use during installation and servicing of pulse code modulation transmission systems.

Also useful for inspection during manufacture, the PA-3 can feed its results to a printer, eliminating time-consuming meter reading and noting, or alternatively an IEC interface allows for connection to an external computer.

There are three main parts to the analogue section: a test section which generates and

measures signals, a microprocessor segment which stores and controls the test programs, and the operating and interface unit for entry of the data and output of the results. A particular pre-programmed measurement mode is called from memory by entering a two-character address using the keyboard; frequency and level if not pre-programmed, can be entered manually or increased automatically by increments throughout the test cycle.

Results appear on a digital display, to a resolution of 1 dB. Optionally, a test point scanner can handle up to 30 phone channels.

DATA PROCESSING

Selects the terminals at will

ARBAT IS now marketing a general purpose switching device as a result of its use in existing customer installations.

Matrix Terminal Selection Device (TSD) provides a central switching point to allow fast and simple re-alignment of systems or terminals. In addition, it enables lines to be tested individually while maintaining a disciplined approach to the use and location of terminals to improve system security and integrity.

Machine will do the books

AT A purchase price of £7,200, or £40 per week rental on a five-year contract, Kienzle Data Systems believes it is offering easy, comprehensive book keeping for smaller companies at "less than the cost of an accounts clerk."

The new machine, model 1900, enters the company's computer range just under the existing model 2000 and is also a visible record machine using magnetic stripe ledger cards to store account data and in cassette tape for the various accounting programs.

Derived from the model 2000, of which 7,000 have been sold in Europe (1,000 in the UK), the machine is thought by Kienzle to be best suited to companies in the ERM to ERM turnover region. This price includes any of the software

Standard TSD models have matrix sizes to accommodate 40 or 80 computer lines and 40 terminal lines, though ARBAT will supply larger capacity systems to meet individual requirements. Switching of both remote and local terminal connections is by means of gold-plated pins and a built-in maintenance capability is provided using a display for line monitoring and metering. Larger TSD versions also include a digital clock. Available as a compact floor or wall-mounted unit, the TSD is supplied with all necessary cabling for connection to local line distribution units.

TSD has ability to give flexibility in terminal arrangements while almost entirely eliminating operating down-time. Because it was originally designed for use in a financial real time environment, the TSD meets demands for high reliability and integrity.

Arbat (UK), at 160, Queen Victoria Street, London, EC4V 4DA (01-549 9751), packages the company offers, although bespoke software can be produced via 90 analysts, and programmers in various parts of the country.

Assembled in West Germany, the hardware makes use of the company's in-house design of wire head printer, with flat bed entry of the cards next to the printer roll that yields invoices, statements etc.

Processor is the Intel 8080, with which up to 32k of memory can be provided. The keyboard is also a Kienzle design in which key depression moves a coil in relation to some ferrite, eliminating bearing surfaces.

The machine needs no specialist knowledge to use: a 32 character display on the front panel tells the user what to do next. Claim made by

the company is that the machine can be operating with live data inside two months, installation consisting of plugging it into the mains.

Production of invoices for example consists of no more than placing the customer's card, with its history of previous purchases, on the platen, keying in the new transaction, and waiting a few seconds while the machine prints the invoice and adds the new data to the card.

Kienzle is at 224 Bath Road, Slough SL1 4DS (Slough 33355).

MATERIALS

Refractory lining has long life

INTRODUCED by Andco Refractory Linings, Techno Estate, Swindon, Wilts SN2 6HB (0793 41781), a material called Arlicite will, it is claimed, outlast other commercial linings, lasting 15 times longer when correctly installed.

This high density, 85 per cent alumina ceramic has a specific gravity of about 3.5 with a fine grained micro-crystalline structure offering very good abrasion resistance. Relatively unaffected by continuous exposure to temperatures up to 500°C and dry, moist or wet conditions, the material offers long term economies in lining conveyors, sluice ways, cyclones and duct work.

Tiles of the material are produced in a wide range of sizes, thicknesses and profiles with tapered and grooved edges or straight sides with holes for metal attachments. Pre-cast segments can also be supplied as pipe liners with inside diameters from two to six inches inside diameter.

Start-up, to achieve the working temperature, can be by steam or electricity. Thereafter, the only heat input is from the compressor. Temperatures can be selected, at 80 deg C for example, residual bacterial material is killed, while at 20 deg C input energy is minimised and the cost of producing the water is at its lowest.

Machines can be supplied with production capacities from 200 to 5,000 litres/hour.

To prevent carry over of impurities in droplets that have not evaporated a cyclone is used to separate and return them to the liquid side.

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SEMINARS

Portable test facilities

PURCHASERS FOR European tank and military workshops, as well as military attaches, will be attending a symposium at which Froude Engineering will present a paper, "Development and Provision of Transportable Test Facilities." This will take place at the same time as Defence Components Expo 79, to be held at the Brighton Metropole Conference and Exhibition Centre, April 24-26, 1979.

Engine test facilities designed for front line use will also be highlighted on the company's stand at the exhibition.

More from Froude at Gregory's Bank, Worcester WR3 8AD (0905 27166).

ASSEMBLY

Freight costs reduced

MACHINERY to be supplied by Moon Brothers of Birkenhead, Merseyside, will help an overseas company reduce its container shipping costs.

Moon is supplying a model SK can-reforming machine and a model EF hanging machine to Shemtec of Morley near Leeds, which supplies cans and other containers to companies throughout the world.

Shipment overseas of a fully-assembled empty container incurs relatively high freight costs in relation to its value. In order to reduce shipping costs, it is necessary to ship cans as sets of flat components. Can bodies are rolled and locked in Shemtec's factory and then mechanically flattened for shipment with the appropriate number of lids, rings and other components.

For a customer overseas, Shemtec is supplying the Moon machines so that on arrival at their destination, the bodies can be restored to their original shape.

Model SK reforming machine consists of a driven steel roller and a non-driven rubber covered roller which is approximately the same diameter as the inside of the container.

The can is placed over this roller (tapered at one end) and is brought into contact with the rotating steel roller, restoring the can to its original cylindrical shape.

Cans will be flanged on the model EF hand-operated flanger, prior to fitting of the ends and seaming.

Moon Brothers (Royal Doulton Group), Beaufort Road, Birkenhead, Tel. 051-552 1527.

PROCESSING

Low cost pure water

DISTILLED water can be produced at the rate of one litre per hour for every 30 watts of power used by a German-made plant called Zyclodest, available from Schott Process Plant, Drummond Road, Stafford ST16 3EL (0785 48116).

Output is of the highest purity and meets the needs of the chemical, pharmaceutical and electronics industries.

Low running costs result from the use of a heat pump in the cycle of which heat is supplied to evaporate the medium—the input water—but is regained on condensation.

To prevent carry over of impurities in droplets that have not evaporated a cyclone is used to separate and return them to the liquid side.

Start-up, to achieve the working temperature, can be by steam or electricity. Thereafter, the only heat input is from the compressor. Temperatures can be selected, at 80 deg C for example, residual bacterial material is killed, while at 20 deg C input energy is minimised and the cost of producing the water is at its lowest.

Machines can be supplied with production capacities from 200 to 5,000 litres/hour.

HAND TOOLS

Improved impact wrench

DESIGNED ESPECIALLY for environmental requirements and providing reduced noise output and a diverted exhaust system is a new "hushed power" version of the CP3440 torque controlled, reversible, impact wrench from Consolidated Pneumatic Tool Co., Tool Division, Greenwell Road, Aberdeen.

Apart from modifications to the exhaust system on the equipment, attachments are available to pipe working, air away from the working area to discharge to atmosphere.

ELECTRONICS

Microwave transceiver

A TINY device that will both generate and act as a receiver of microwaves, for use in such Doppler systems as intrusion alarms, speed measurement radar, traffic control and industrial process control has been introduced by Microwave Associates, Dunstable, Beds, LU5 4SX (0582 60144).

Measuring only 4.14 x 5.08 x 4.17 mm and designated MA-8850, the devices operate at 10.525 GHz and can deliver between five and 10 mW of power, with a response to a moving target within the range, an audio signal is delivered from the mixer output which is directly proportional to the velocity of the target towards or away from the aerial. The receiver output frequency to velocity scale factor is 31.4 Hz per mph.

A self-adhesive labelling rate of 400 units per minute is being achieved with vials so light and small, relative to the labels which wrap around them, says the company, that the slightest extra pressure on a label would send them off course.

TI Metsec for engineering

PACKAGING

Produces tough tags

IDENTIFICATION TAGS in the packaging and freighting industries are made of flimsy material. In the event of rough handling, these name marks do not always reach their destination.

Permanent metal identification tags which, when properly formed, will survive rough handling, are produced from a material known as Invar. The tags are produced by Lawsons of Liverpool, Coding and Marking Division, 60, Vauxhall Road, Liverpool, L69 3AU.

Up to three tags may be produced at one time, making it possible to have two or three duplications of each tag. Range of character sizes of 6.5 mm, 9.5 mm and 12.8 mm, and the 40 characters, include numbers, letters of the alphabet, and punctuation. Tags are 0.152 mm to 0.203 mm thick, and the two sizes most likely to be in demand, says the company, are 140 mm x 64 mm and 140 mm x 76 mm, although other sizes are available.

Maker says there is absolutely no skill needed to produce the embossing which the machine does in seconds, and it can be used time and time again to give any size or shape of container a neat, clear, and indestructible marking.

A light touch

NOW BEING operated successfully by Beecham plant at its Worthing, Sussex, group is a pharmaceutical printer labeller devised in co-operation with specialists in labelling machinery, Precision Packaging Machinery (Yorkshire), Harwich, Essex (0275 55 7055).

A self-adhesive labelling rate of 400 units per minute is being achieved with vials so light and small, relative to the labels which wrap around them, says the company, that the slightest extra pressure on a label would send them off course.

The war that never ends

We British are a peaceful people. When a war is over we like to consign it to the history books - and forget it.

But for some the wars live on. The disabled from both World Wars and from lesser campaigns, now all too easily forgotten; the widows, the orphans and the children - for them their war lives on, every day and all day.

In many cases, of course, there is help from a pension. But there is a limit to what any Government can do. This is where Army Benevolence steps in. With understanding, with a sense of urgency, and with practical, financial help.

To us it is a privilege to help these brave men and women, too. Please will you help us to do more? We must not let our soldiers down.

The Army Benevolent Fund
for soldiers, ex-soldiers and their families in distress.
Dept. FT, Duke of York's HQ, London SW3 4SP

This announcement appears as a matter of record only

February 14th, 1979

Banque Nationale de Paris

US \$ 125,000,000
Floating Rate Notes - 1979-1991

Banque Nationale de Paris	Credit Suisse First Boston Limited
Caisse des Dépôts et Consignations	Merrill Lynch International & Co.
	Salomon Brothers International

Alhali Bank of Kuwait (K.S.C.)	Algemene Bank Nederland N.V.	AMAS S.A.
A.E. Ames & Co. Limited	American Express Bank International Group	The Arab and Morgan Grenfell Finance Company Limited
Banca Commerciale Italiana	Banca del Gottardo	Banca Nazionale del Lavoro
Banco de Bilbao	Banco Urquijo Hispano Americano Limited	Bank of America International Limited
Bank für Gemeinwirtschaft AG	Bank Gutzwiller, Kurz, Buegener (Overseas) Limited	Bank Leu International Ltd.
The Bank of Tokyo (Holland) N.V.		Bankers Trust International Limited
Banque Arabe et Internationale d'Investissement (B.A.I.I.)		Banque Bruxelles Lambert S.A.
Banque Française de Commerce Extérieur	Banque Générale du Luxembourg S.A.	Banque de l'Indochine et de Suez
Banque Internationale à Luxembourg, S.A.		Banque Internationale pour l'Afrique Occidentale (B.I.A.O.)
Banque Louis-Dreyfus	Banque Nationale de Paris Limited	Banque de Namèze, Schumberger, Mallet
Banque de Paris et des Pays-Bas	Banque Rothschild	Banque de la Société Financière Européenne S.F.E. Group
Banque de l'Union Européenne	Banque Worms	Barclays Bank International Limited
Baring Brothers & Co., Limited	Bayerische Hypothek- und Wechsel-Bank	Bayerische Landesbank Girozentrale
Bayerische Vereinsbank	Bear Stearns and Co.	Burgas Bank S.A.K.
Chemical Bank International Group	Citicorp International Group	Chase Manhattan Limited
Compagnie Monégasque de Banque	Continental Illinois Ltd.	Commerzbank Aktiengesellschaft
Crédit Agricole (C.N.C.A.)	Creditanstalt-Bankverein	County Bank Limited
Crédit Industriel et Commercial	Credit Lyonnais	Crédit Commercial de France
Daiwa Europe N.V.	DBS - Daiwa Securities International Limited	Crédit du Nord
DG BANK	Dillon, Read Overseas Corporation	Den norske Creditbank
Deutsche Genossenschaftsbank	European Banking Company Limited	Dresdner Bank Aktiengesellschaft
Euromobiliare S.P.A.	Antony Gibbs Holdings Limited	First Chicago Limited
Fuji International Finance Limited	Groupement des Banquiers Privés Genevois S.A.	Girozentrale und Bank der Oesterreichischen Sparkassen
Goldman Sachs International Corp.	Hill Samuel & Co. Limited	Hambros Bank Limited
R. Henriques Jr. Bank Aktieselskab	Kidder, Peabody International Limited	IBJ International Limited
Kansallis-Osake-Pankki	Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.)	Kleinwort, Benson Limited
Kuhn Loeb Lehman Brothers International	Kuwait Investment Company (S.A.K.)	Lazard Frères & Co., Limited
Kawati International Investment Co. s.a.k.	Lloyds Bank International Limited	Loeb Rhoades, Hornblower International Limited
Lazard Frères et Cie	McLeod Young Weir International Limited	Mitsubishi Bank (Europe) S.A.
Manufacturers Hanover Limited	Morgan Stanley International Limited	National Bank of Abu Dhabi
Samuel Montagu and Co. Limited	New Japan Securities Europe Limited	The Nikko (Luxembourg) S.A.
The National Commercial Bank (Bank of Australia)	Nomura Europe N.V.	Oesterreichische Länderbank AG.
Nippon European Bank S.A.	N.M. Rothschild & Sons Limited	Orion Bank Limited
Privatbanken Aktieselskab	J. Henry Schroder Wagg & Co. Limited	Sauwa Bank (Underwriters) Limited
Scandinavian Bank Limited	Société Bancaire Barclays (Suiss) S.A.	Skandinaviska Enskilda Banken
Smith Barney, Harris Upham & Co. Incorporated	Société Lyonnaise de Dépôts	Société Générale
Société Générale de Banque S.A.	Sumitomo Finance International	Standard Chartered Merchant Bank Limited
Struss, Turnbull & Co.	Vereins- und Westbank Aktiengesellschaft	Svenska Handelsbanken
Swiss Bank Corporation (Overseas) Limited	Weydenische Landesbank Girozentrale	J. Vontobel & Co.
S.G. Warburg & Co. Ltd.	Yamaichi International (Nederland) N.V.	

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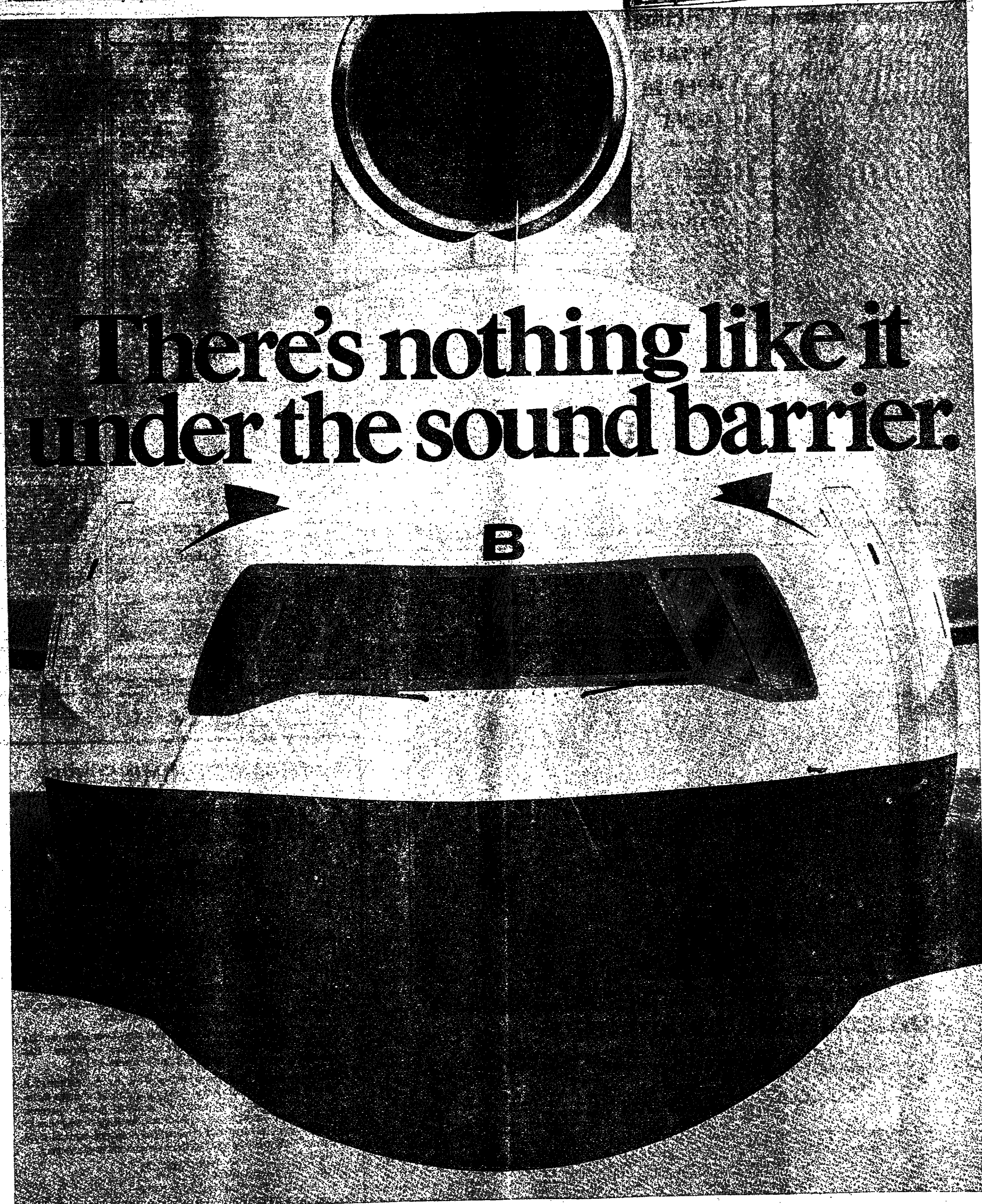
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Banca d'America e d'Italia	Banca di Trento e Bolzano
Banca Popolare di Cividale	Banca Popolare di Latissana
Banca Popolare di Milano	Banca Popolare di Padova e Treviso
Banca Popolare di Pordenone	Banca Popolare di Valdagnò
Banca Popolare Udinese	Banca S. Paolo - Brescia
Banco di Chiavari e della Riviera Ligure	Banco di S. Spirito
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March 1979

April 17 1979
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The new TriStar 500. It's the most advanced subsonic jetliner in the world. Its navigation control is second to none. As is the on-board computer.

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We'll take more care of you.

Building and Civil Engineering

UK and U.S. in big Cairo project Study of irrigation in the '90s

MULTI-NATIONAL agreements between the UK and the U.S. and two British consulting engineering organisations.

Aim of the project is to enable Cairo's grossly overloaded sewerage system to cope with the continuing growth in population from 8m now to an estimated 16m by the year 2000. Grants of £50m and \$100m have been promised, respectively by the British and American Governments, towards expenditure on the offshore works of the British and American goods and services needed for the implementation of the project.

Ambric will provide the consultancy services for the scheme. This grouping consists of Taylor Binnie and Partners, comprising John Taylor and Sons and Binnie and Partners (Overseas), both of London; and BVI-CDM Associates. The latter includes Black and Veatch International of Kansas City; and Camp, Dresser and McKee of Boston.

Egyptian engineering support will be provided by a consortium of leading Egyptian consultants comprising Ato, Tencon and Sazes.

BATTELLE GENEVA Research Centre has decided to launch a group study covering the technological evolution and the market opportunities of irrigation and drainage systems over the next decade.

Proposed research programme will be conducted by Battelle-Geneva in close collaboration with the other centres, particularly Battelle-Northwest in the U.S.

The study will be carried out in over 30 countries and will provide participating companies with technical and economic information fundamental to product development and business planning.

More from Battelle at 7 route de Drize, 1227 Carouge, Geneva, Switzerland.

Study of irrigation in the '90s

£1½m awards to Tilbury

NEW BATCH of contracts awarded to Tilbury Construction, worth a total of £1.5m include a £422,000 job for the London Borough of Hammer-smith for the erection of a day centre and tenants' meeting hall at Blakes Wharf, London, W.6.

Company's civil engineering department at Ipswich has secured a £315,000 order for site works, drainage, sheet piling and accommodation works for the new single carriageway road between Landsee and Rarburn Roads, Ipswich.

Its Belvedere office is building the £200,000, Cadham Hall A1377 accommodation bridge on the M25 site at Stifford Road, Aveley, Essex, for the Department of Transport, Eastern RCU. Tilbury at Belvedere has also won a £166,000 CEGB contract at Bradwell Power Station, Essex, for the construction of a brick building for effluent final delay tanks and a £150,000 retaining wall scheme for Gravesham Borough Council.

Ipswich Borough Council has also placed a £200,000 contract for 1979-80 surfacing and maintenance of various roads.

Big German excavator ordered

A DEEP-CUT bucket chain excavator claimed to be capable of cutting to a depth not achieved before by a machine of this type is being built for the Mons open-cast chalk mine of Cimenteries CBR S.A., Brussels, by Maschinenfabrik Buckau R. Wolf AG, Grevenbroich, a Krupp subsidiary.

Its capacity is 425 tonnes per hour of wet chalk, at a cutting depth of 52 metres below track level and a slope angle of 50 degrees.

The 770 tonne excavator has a contract value of about DM 8m and assembly is scheduled to begin in March 1980, commissioning in the following September.

With the ground water table lying 4 metres below ground level, almost all of the chalk has to be recovered under water. A track shifting machine follows the track-mounted excavator. At each traverse it automatically shifts the entire trackway with the conveyor mounted on it in the direction of excavation. The distance depends on the depth of penetration of the buckets.

Dual-role generator

LATEST ADDITION to the range of RTD Swan Close Road, Banbury, Oxon (O295 3494) is a one unit generator-compressor, the Diamond Power Pack II.

Available in two sizes, the units have the facility of dual voltage and promise to be of particular interest in the contract building and plant-hire markets.

The 12-10 model delivers 1.2 kVA (max) and 280 litres per minute (max); and the 25-14 model gives 2.5 kVA (max) and 400 litres per minute (max) with maximum pressure of 7 kg/cm².

Smaller unit is completely portable (it weighs just 73 kg) and is mounted in a sturdy tubular steel frame. With a fuel tank capacity of 6.5 litres, it gives a continuous running capability of four to five hours.

Larger model weighs 128 kg, is also mounted in a tubular steel frame, and is fitted with wheels for easy manoeuvrability. Both sets are powered by a

Over £3m contracts for Costain

TWO CONTRACTS, together totalling just over £3m, have been won by Richard Costain.

Civil engineering division has been awarded a £2.5m contract by the Property Services Agency for work at RAE West Freugh, near Stranraer, Scotland.

Work here comprises bulk earthworks to excavate and re-grade 750,000 cubic metres of sand dunes, construction of three concrete pavements, one

400 metres x 200 metres x 300 mm thick, and two 200 metres x 120 metres x 150 mm thick, laid on 150 mm of dry lean concrete; the construction of about 16,000 square metres of tarmac roads, 3, 4, and 5.5 metres wide, and 48,000 square metres of stabilised soil.

A four-storey office block at Aberystwyth, for the Property Services Agency, Wales, is the subject of a £450,000 contract. This Crown building will be

occupied by the Department of Health and Social Security and the local Vehicle Licensing Office.

Work has already started on the building which will be constructed in reinforced frame on piled foundations with brickwork facing and precast concrete cladding panels. Contract also includes the provision of car-park areas, drainage services and ancillary work.

SUMARLEY Roof Tiles

Total leadership through tile technology

Vibratory roller for small jobs

TWO pedestrian controlled double-drum vibratory rollers, for smaller asphalt jobs, backfilling trenches, etc., are offered by Aveling, Barford International, Invicta Works, Grantham (0476 67351).

The 650 kg VC 065 and 900 kg VC 095 both have hydrostatic transmission which provides infinitely variable forward and reverse speeds with maximum vibration at all times, says the company.

Brassfoundry watchdog

CONCERNED AT the import of low quality fittings, the National Brassfoundry Association reiterated in London last week that foreign-made fittings were generally viewed as being below acceptable U.K. standards, both in terms of quality and in-situ operation.

The Association says that it continues to play a protective role in the industry, acting as watchdog and, when necessary, alerting the trade.

Directly linked to this exercise is the NBA Performance Assurance Scheme for British Taps (introduced in 1974) which warns British installers of possible disadvantages of using Continental taps and identifies approved taps with a corporate symbol.

Closely involved with the technical side of the engineers' and plumbers' brassfoundry industry, the Association's technical committee draws up draft

standards concerning the specification of products.

It is fully represented on BSI committees and has contributed considerably to the establishment of new British Standards. In its dealing with various technical committees of the Department of the Environment and National Water Council, it has become a significant voice in the preparation of legislation concerning the industry.

Now, announces chairman, Mr. Julian Usher-Smith, its members will be joining together to form an NBA exhibition stand, for the first time, at Interbuild 1979, NEC, Birmingham, December 2-5 this year.

Association members participating in this 38th international exhibition include Barking Grobe, Conex-Sambra, Deltaflow and Peglers.

Further from the NBA, 5 Greenfield Crescent, Edgaston, Birmingham B15 3BE.

Ready-made buildings

FOLLOWING the installation of new metalworking plant, part of a £1m development plan, Rippin Structures of Auchtermuckty, Fife, Scotland, has launched a new range of structural steel buildings.

It is stated that the buildings will meet the majority of ground area requirements and be available initially in three spans—16, 20 and 24 metres, and three heights of 4, 5 and 6 metres, all designed to a similar principle to facilitate easy future expansion. They will be available as complete packages including heating and ventilation, power lines, water and steam supplies.

Scaffolding emergency service

RADIO CONTROLLED, 24-hour standby emergency service is being operated in 11 inner London boroughs by the dangerous structures unit of John Shelbourne and Company, utilising a special scaffolding service from GEN Mills Building Services, (01-567 3053).

Local authorities can call on this service any time of the day, on any day of the year, to deal with emergency works—shoring or demolition of a dangerous building, removal of unsafe cladding from blocks of flats, clearance of debris and dangerous structures after fires, explosions and storms, etc.

Copes with sewage

LOCAL authorities and private developers are being offered small packaged sewage treatment plants by Clearwater Systems.

Each fully enclosed plant incorporates a rotating biofilter which, says the company, is preferred by most water authorities for sewage treatment plants serving populations of under 2,000, or the equivalent. The plants, which are marketed under the trade name Biospiral, run silently and are said to be odourless.

Clearwater, which is a member of the Conder group, has its headquarters at Guildford, Surrey (0483 33831).

Uranium probe in Eire

OBJECT of a new award to Hunting Geology and Geophysics by Maugh of Dublin is a high-sensitivity, airborne geophysical survey of the Irish Republic. This will be a major component of the uranium exploration programme being carried out by Maugh, part of the Franer Minatome Group.

Of particular interest, the geophysical equipment will include a very highly sensitive double resonance magnetometer, which has never been used in Ireland before. Its sensitivity will be used to

investigate structures of potential interest in Maugh's concession. This magnetometer is manufactured by Centre d'Etudes Nucléaires de Grenoble (CENG) and is made available to Hunting for geophysical surveying.

This and other equipment will be installed in a specially modified Twin-Pioneer aircraft, which will be based at Dublin together with the crew, comprising a geophysicist, data compiler, two electronics engineers and two pilots. The geophysicist will progressively evaluate the data on-site.

The 770 tonne excavator has a contract value of about DM 8m and assembly is scheduled to begin in March 1980, commissioning in the following September.

With the ground water table lying 4 metres below ground level, almost all of the chalk has to be recovered under water. A track shifting machine follows the track-mounted excavator. At each traverse it automatically shifts the entire trackway with the conveyor mounted on it in the direction of excavation. The distance depends on the depth of penetration of the buckets.

Lessening the risk of skids

FOLLOWING experiments with a new road surface dressing binder called Surmac back in 1977 and subsequent successful, albeit limited use in this country and overseas, BP Oil has now produced a short film describing the material. Local authorities are the main target.

The film sets out to demonstrate how this binder provides very good skid resistance even

on roads classified as A2—difficult—by the Department of Transport. Its strength says BP Oil comes from the addition of polymers.

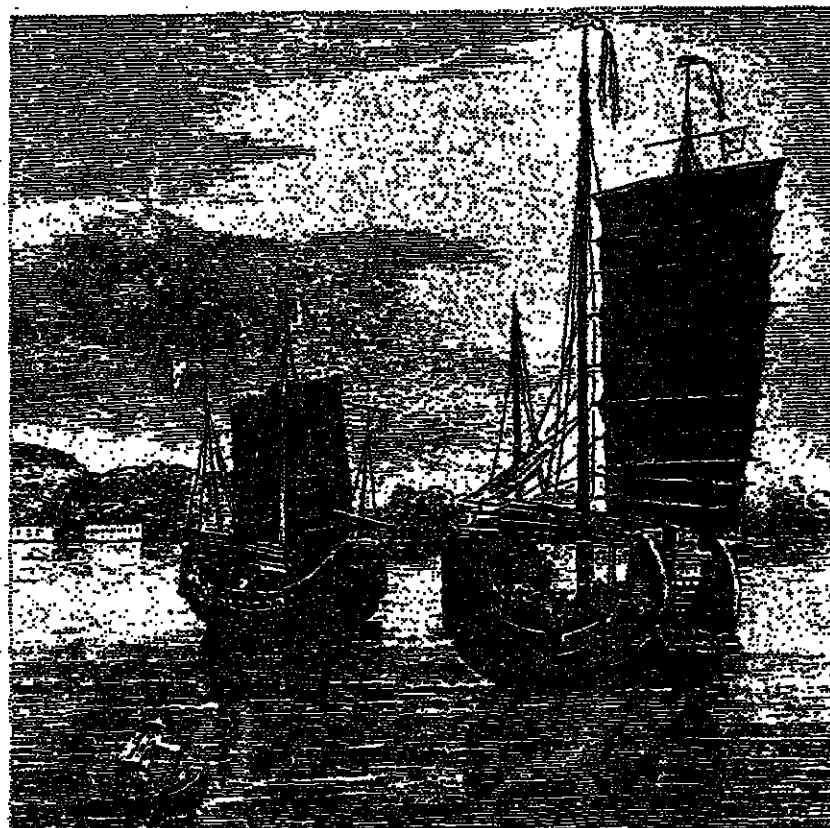
Developed jointly by Astor Chemical and BP and first reported on this page on October 4, 1977, Surmac is thin enough for spraying with conventional equipment.

It is claimed to be particularly

suitable for restoring skid resistance on roads carrying high speed traffic, and for roads subject to sharp braking and acceleration.

About 100,000 square metres of road were treated with the dressing in 1977 and 200,000 square metres last year. Roads treated with the dressing can be re-sprayed almost as soon as it has been laid.

The development of international trade owes much to the foresight of merchant bankers.



Original sketch of 19th century scene in Fat El-Est

The earliest method of international trade was by barter. The introduction of money and the eventual acceptance of foreign currencies accelerated the flow of goods and services. Here the skills and flexibility of merchant bankers played an invaluable role.

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1978 Sept. Rolls-Royce Corniche Convertible finished in Silver Chalice with Blue hide through-out and Dark Blue hood. 350 miles.

TORQUAY Luburne Square, Torquay. Tel. (0803)24321
1972 Aug. Rolls-Royce Silver Shadow Series II Saloon. Willow Gold, Brown Everflex roof and Beige hide upholstery. Speedometer reading 8,000 miles.

1974 Aug. Rolls-Royce Silver Shadow Saloon F.A.M. finished in Seychelles Blue with Blue hide upholstery. Speedometer reading 61,000 miles. £19,850

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BENTLEY CORNICHE Reg. June 1978. Silver sand/Chestnut roof. 7,000 miles. Offers. Tel. 0533 374444.

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JAGUAR XJ642LWB 1977 (June) supplied to special order in cinnamon with beige velour and leather interior. Automatic P.A.S. and fitted. Air conditioning. Tinted power windows. Chrome wheels. Centre locking. Radio stereo. And many other options. One owner. Low mileage. Works maintained and chauffeur driven. Franchise condition throughout. £7,250

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THE MANAGEMENT PAGE

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EDITED BY CHRISTOPHER LORENZ

BL-Honda: the real reason for Britain's failures

BY KEN GILL

THE news of BL Cars possible link-up with Honda of Japan is followed by the announcement of record import penetration figures for the British car market. This is no accident. Both developments highlight a crucial weakness in the British motor industry.

The Leyland predicament is the inevitable consequence of short-sighted policies by the company, the National Enterprise Board, and the Department of Industry. Government wages policy was the final nail in the coffin.

The major reason for Leyland's inability to compete effectively in the volume car market is the company's failure to develop its engineering resources. For three years now TASS, which organises over 7,000 qualified engineers and technicians at the company, has been warning of the consequences of this neglect.

In April 1977 AUEW-TASS produced a report "Leyland Cars - A Crisis of Design and Tooling Capacity". This was a response to growing concern in the union about the situation within British Leyland. It quickly became clear, however, that the problems revealed at British Leyland, were common to the whole of the British motor industry.

Our study uncovered a major weakness. The British machine tool industry and the country's engineering design companies are simply not equipped to meet the requirements of the British motor industry. The consequences are threefold.

Thirdly, it places the only indigenous and publicly owned British motor company, BL, in a position of being forced to use machine tool and design companies with direct links with its multi-national competitors in an industry where commercial secrecy and future model plans are linked to competitiveness, this cannot be healthy.

A union leader argues that Leyland has failed to use its engineers properly.

We presented this report to the Department of Industry. We argued our case with the company whenever it sub-contracted major design and tooling work to European companies without consultation. Finally our members refused to co-operate in the operation.

Each time the company called emergency meetings, and convinced us that in the short term sub-contracting was essential if it was to become effective. Each time our members withdrew sanctions on the promise that these were short-term expedients and that the company would make every effort to build up its own engineering resources. But nothing happened.

The position deteriorated and in November, 1978, TASS produced a further report. This highlighted acute design staff shortages and linked this to the crippling effects of Government pay policy. On staffing levels the report said:

"At present BL Cars have a staffing establishment of 348 design engineers in the tooling function. But the effects of pay policy have taken their toll and there is a desperate staff shortage in this area. Only 90 designers are currently employed. It is our view that to meet the five-year model programme, a staffing level of at least 260 experienced designers is required. Increases of the same proportions will be required in the numbers of planners, estimators and in the body design areas."

The efforts made by the company to resolve this problem have been thwarted by the rigid application of pay policy. Efforts by BL Cars to recruit

skilled technicians from the labour market have been a failure; in fact there has been a large decline in the technical labour force over the last three years. This loss of skills is continuing and as with Ford, Chrysler and Vauxhall, many of these technicians are being lost to the British engineering

industry altogether. The technical trail to Europe is well trodden by deserting design engineers.

The chart below shows how the tool design facility in BL Cars has diminished.

Table with 2 columns: Year, Average number of designers. Rows: 1980-1979, 1977, 1970.

The result of this loss of capacity has been that the company has increasingly turned to sub-contractors. In 1977 106,000 hours of tool design work were placed with sub-contractors within the UK, and another 22,000 hours placed abroad.

Wage rates in BL Cars have become uncompetitive. Competitors within the UK are paying an average £1,000 per annum more for Body and Tool design draughtsmen. Draughtsmen prepared to go abroad can earn up to £16,000 per annum (The Engineer, January 12, 1978). A West German draughtsman earns £280 a week basic. So it is absolutely essential to the survival of the company that its employees enjoy salaries and conditions comparable with the best achieved elsewhere.

The report concluded with two demands. First that Leyland Cars management quickly and extensively develop its own design, tooling and engineering capacity. Secondly that the National Enterprise Board establish a public sector design house capable of meeting the current and future requirements of the British motor industry and other advanced manufacturing sectors of British industry.

In February TASS presented its arguments to the Parliament

ary Select Committee on Science and Technology. On the day the General Election date was announced, a TASS delegation met with officials at the NEB.

So far the silence has been deafening; and now, in the reasons he gave for the proposed deal with Honda, Michael Edwards has revealed the company's technical weakness to the world.

It has been a salutary experience illustrating a critical weakness in the strategy designed to regenerate British industry. If the country fails to reward adequately and treasure its qualified engineers and technicians it will lose the ability to design and develop new products. We will become a nation of assemblers increasingly reliant on imported technology. Skills and jobs will go and British engineering, which once led the world, will become an also-ran.

Treasured

The Honda deal served to highlight the crisis. In Japan engineers are treasured. As befits a manufacturing nation, they fill the boardrooms and are at the top of the salary league. It is time British engineers took their place in the sun: TASS will use all its collective strength and bargaining expertise to bring this about. In the meantime TASS members in Leyland Cars will not stand idly by and allow the company to further run down its engineering resources.

It is not widely understood that if we lose BL Cars we can say goodbye to the whole of the British motor industry. The existence of a major domestic manufacturer places a constraint on the American and French multinationals - Ford, Vauxhall, Chrysler-Europe. It ensures that, for political and marketing reasons, these companies will retain a substantial manufacturing capacity in Britain. Without such a constraint the rationalisation on a European basis would be speeded up and British capacity run down.

Ken Gill is general secretary of AUEW-TASS and a member of the TUC general council.

BERTELSMANN, the \$1.5bn-plus publishing group, has just joined the small group of West German companies which is trying to improve the credibility of their "social balance-sheets" - documents in which they attempt to assess their performance as it affects their employees and the outside environment.

The Sozialbilanz, as the social balance-sheets are called, has not had a popular reception in Germany. The first attempts from Steag in 1973 and Saarbergwerke in 1974 were plainly intended as apologetics for air pollution by these energy firms. Later attempts from chemical (BASF) and oil (Shell) companies were seen cynically as whitewash for environmental pollution.

From the beginning, German trade unions have dismissed the reports as a blatant public relations ploy, an intrusion into the unions' domain of workers' social welfare, and a forum for complaining about wage increases.

Nor has the practice really caught fire. Six years later, only 20 firms publish any form of Sozialbilanz. But scores of firms are reportedly considering the idea; even the unions appear to be relenting in their opposition - they have announced their intention of formulating guidelines for these "socially-based reports."

Against this background, Bertelsmann has attempted in its second Sozialbilanz (the first was published as a separate report) not only to improve the document's credibility, but to integrate it into the traditional annual report - thus creating a more comprehensive account of the company. The results are far from perfect - a point which Bertelsmann people are quick to concede - but it is offered as a working basis for further evolution.

Commitment

The commitment comes from the top. Reinhard Mohn, management board chairman and chief shareholder of the private company, has his own ideas and the freedom to implement most of them. One of those ideas is that a Sozialbilanz is the proper format for reporting the full scope of a company, which Mohn promotes as a micro-organism of political order.

The 1978 report makes real efforts to respond to criticism. The balance was drawn up in collaboration with the works council, whose chairman took part in the annual press conference last month to testify to the genuine participation of the workers. (Union critics, though, are likely to scoff at the docility



Germans' sour social debate

of the Bertelsmann council.) Results of a survey of employee opinion provided some reaction to the company's stated goals.

In several details, the report attempted to accommodate union criticism. For instance, "creation of value" calculations have been sharply attacked for measuring added value by subtracting all expenditure for raw and semi-finished materials from the company's production, and then pointing proudly to the high proportion (around four-fifths) of added value that goes to the work force. The Bertelsmann report includes the total value of production and shows the value distributed to the workforce at a more realistic 20 per cent.

Mohn himself stresses that this second attempt is still very much a beginning. "I am not at all happy with our social balance," he told the annual Press conference, adding that the company was in a "learning phase."

Manfred Harnischfeger, director of public relations, admitted that the report still does not clearly underline negative factors. Expressly addressed primarily to employees, it does still smack of internal propaganda. The virtues of the company's salary levels, health insurance and genuinely exemplary profit-sharing plan are highlighted by comparison with national averages.

One drawback that is noted - i.e., a company with a 50 per cent female workforce had only

four or 0.8 per cent in the 490 management positions - is accompanied by the observation that "at the moment, we see no possibility of bringing more female employees into management positions without creating unfair privileges."

The discussion of Bertelsmann in its environment ranges unevenly from the sociological role of its major product (books) to the annual pensioners' party and is hardly equal to a multi-billion-mark media concern whose tentacles reach practically into every form of communication and most continents in the world.

Along with BASF, Shell, Rank Xerox, Saarbergwerke, Steag and Pieroth, Bertelsmann forms a working group for "social balance-practice." A report from the Institut für deutschen Wirtschaft published in February tells how this group has loosely defined three main components for a Sozialbilanz:

- 1-Social account (Sozialrechnung): a statistical balance drawn from the earnings statement showing expenditure in six areas: employees, capital suppliers, physical environment, the public, the state, and the company itself. These are without commentary.
2-Creation of value (Wertschöpfung): the added value a company has achieved is presented as a link between traditional accounting and the macro-economic accounts.
3-Social report (Sozialbericht): a verbal account,

anchored in statistics, of the goals, measures, and accomplishments of a company in its social relations.

The Bertelsmann report incorporates explicitly the social report and creation of value but has no separate breakdown of the social account. Mohn himself warned of any attempts to find quantitative norms for measuring a company's social performance.

A respected management newsletter, Fuchsbrief, last month told its readers that, outside Germany, doubts about the Sozialbilanz are growing. The Bonn-based newsletter said Swiss banks are advising their clients to hold back. Not only is the public reception ambivalent, but the report can be a two-edged sword (if it is to achieve any credibility).

Moreover, the reports tend to excuse or downplay the role of profit and could be dangerously misleading, argues the newsletter. Corporate critics can also use the Sozialbilanz as a wedge to demand disclosure of the "hidden reserves" - that beloved bookkeeping trick which enables many European companies to hide so much of their profit.

The question arises whether the community at large would not be better served just by an improvement of the existing annual report: for instance, in Germany, profit and loss statements could more closely reflect the reality of a company's earning power.

Absurd

Take Bertelsmann. The group reported a 1978 net profit of DM 58m, absurdly registering a decline from DM 67m the previous year. But Hermann Hoffmann, Bertelsmann finance chief, let slip that operating earnings (which he didn't define) were up by DM 56m (for which he provided no base of comparison. He pointed out that write-offs on acquisitions and expansion expenditures resulted in a charge of DM 75m against earnings (also a readjustment of the tax structure increases the tax bite). The annual report does show net cash flow up to DM 94m from DM 232m in fiscal 1977.

Mohn himself conceded, "It is relatively difficult to decipher our earnings position from the balance sheet." The company's several overseas operations, as well as its introduction of a first-time consolidation of clear definition for cash flow, in fact, admirably advance the cause of improved company reporting as much as many aspects of the Sozialbilanz.

Darrell Delamaide

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Avoiding reform for the worse

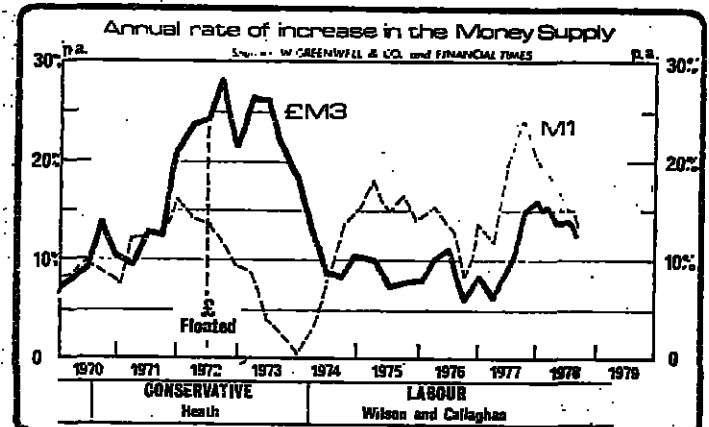
BY SAMUEL BRITTAN

THERE IS no particular magic in any one measure of the volume of a paper currency. In the days when long term price stability was normal, the ultimate reserve asset of the banking system was gold; and any tendency to large-scale inflation was automatically checked by an outflow of gold from the country.

Because M1 is demanded it has a closer statistical fit with the movement of money, national income and interest rates. But this is a classic example of the pitfalls of the fashionable form of curve fitting—known as multiple regression analysis—as a guide to policy. The chart shows that the M1 measure would have let us down when it was most needed. As Congdon remarks, "there never was a 'Barber boom' on the M1 definition."

Nor is this a hypothetical rewriting of history. Official accountants for the monetary expansion under the Heath Government were constantly drawing attention to the less alarming movement of M1. The reason for the discrepancy in the behaviour of the two measures in 1973 and 1974 is in fact not far to seek. Because nominal interest rates were rising in 1973-74, while inflation was still in single figures, people had an incentive to switch to deposit accounts. By contrast any attempt to link that abatement of inflation with M1 involves an improbable lag of nearly four years.

The crucial point about M1 is that it is "demand determined." That is people can decide for themselves how much to hold. If people want more notes they simply draw on their bank accounts; and if they wish to replenish their current accounts, they make transfers from their deposit accounts. By contrast, people cannot increase at will the total of M3, which includes all bank deposits. If I want to increase my bank deposit, I can do so only by obtaining deposits from someone else; a process which involves changes in interest rates, price levels or total real spending.



BLOCK-DISCOUNTING is a well-known service offered by finance houses to traders who do a substantial business in hire-purchase and credit-sale agreements with their customers. The essential feature of block-discounting is that, in return for immediate advance of cash, the trader sells to the finance house at a discount his interest in the agreements that he has entered into with his customers. The courts have generally held that such transactions should be considered to be sales of debts and not treated as loans or charges upon the property of the trader. But in Lloyds & Scottish Finance v. Cyril Lord Carpet Sales and others recently before the House of Lords, an attempt was made, unsuccessfully, to construe a block-discounting arrangement as a loan.

Old practice

Block-discounting is merely a variant upon the age-old practice of financiers in the City of London of discounting bills and notes. It is today an adaptation of that historic business to the modern circumstances of hire-purchase and credit-sale. The finance house looks only to its discount for its profit: once the trader has met his commitment against the advance and the discount charge (out of the moneys received or receivable from his customers whose debts

he has sold) the finance house is content that the trader should keep for himself whatever else is collected from the customers. The facility offered is money; the finance house advances money in reliance upon obligations that have not yet matured. Not surprisingly, the courts over the years have said that, although the loose terminology of "loan" is used to describe the transaction, it is not lending money but a straight sale of book debts, and that so long as the transaction is not a sham to cover up some other transaction the courts will enforce it as a sale.

Unworkable

There was no suggestion in the present case that the block-discounting was other than a genuine agreement, but it was claimed that it was shown to be commercially unworkable, with the result that the parties had not acted in accordance with its terms. They had shelved it and instead chose to conduct their business differently in such a way that the trading agreement was converted into a loan secured on the trader's books debts. It was argued that the finance house would not have been able to retain the book debts or their proceeds as against the trader's liquidator. They would have been in the situation of a creditor for money lent who had

failed to register a charge upon the property of a company under the provisions of the Companies Act. How did the liquidator of the trader seek to convert into a loan agreement what, on the face of it, was a sales agreement? In 1965 the company, whose carpet sales were flourishing, was operating a block-discounting scheme involving large sums of money with United Dominion Trust. Contact was then made with Lloyd and Scottish with a view

THE WEEK IN THE COURTS

BY JUSTINIAN

to part of the business being placed with them. The understanding then was that normal block-discounting methods would be employed. The amount of financing was to be £500,000 at the discounting rate of 5 1/2 per cent. The finance house proposed to make an 80 per cent advance, less their charges at the rate of 5 1/2 per cent for 12 months. The guarantee of the parent company of the trader was required. Blocks of 24-month credit sale agreements were to be counted, to be repaid by bills of exchange. On the same day, correspondence passed between

the parties stating that the agreements would be assigned to the finance house. The first schedules were sent with an initiating letter. It stated the total of the debts after deducting credit notes; of this sum 80 per cent was calculated, the service charge of 5 1/2 per cent was added, and the total amount to be advanced indicated. The letter also indicated that the monthly repayments should be made over 24 months. This analysis persuaded the House of Lords that there was

very strange if the courts, in the absence of any suggestion that the ostensible contract was a sham, were to give effect to a transaction so clearly negated by the documents and the evidence produced by the parties. Subsequent block assignments were effected in substantially the same manner; these were all made in pursuance of the trading agreement—an agreement providing for the sale and purchase of debts. What then was left of the suggestion that it was a loan? The finance house clearly wanted some security for its bargain, but could that alter the nature of the contract? The fact that guarantees or security were required to ensure that it received the whole of what it bought did not convert a contract of purchase into one of charge.

Convenient

True, the finance house recorded in its internal accounts the cheques paid to the trader, its charges and the amount of bankers' order, but did not record the total of the debts purchased. But this was simply a convenient way of recording the risk and its profit, and did not alter the nature of the contract. The traders, on the other hand, their published and audited accounts had shown the debts as having been "sold with recourse." So here were state-

ments published to the world, including creditors and debenture holders, that the book debts had been sold. The most powerful argument for saying that the transactions were a loan was the fact that the finance house's interest in the transactions was to recover its profit, and that the only consideration expressed in the assignments was the amount of the commitment, i.e. 80 per cent of the value of the assigned debts. This and other allied factors showed that the transactions were not sales of book debts but a loan of 80 per cent of their value secured upon the book debts. The force of the argument was superficially enhanced by the fact that the transaction was essentially a financial one, and hence made the distinction between a loan and a sale not easily discernible. The establishment of the distinction was made possible only by looking at the contractual documents. Once it was conceded that the trading agreement was a genuine contract intended to govern the individual transactions (and was followed in subsequent execution) the commercial practices adopted could be readily accommodated within the legal framework. Variables in commercial practice could be explained in the nature of the contract. Only if they cannot be fitted into the framework established, would the courts seek a different framework.

Tromos likely for 2,000 Guineas

BY ABOUT a quarter-to-four this afternoon we should know if Tromos has trained on to become a worthy odds-on chance for the Two Thousand Guineas. Classic which has seen the eclipse of "hot pots" as Apalache (4-11), The Minstrel (6-5) and Tru My Best (10-11) in the past five years.

which of those two races Tromos put up the better performance. At Ascot in September he had his opponents in trouble fully three furlongs from home, and inside the quarter-mile marker he drew further and further ahead to pass the post with a dozen lengths in hand from Milford.

affairs with his long rabing stride, and by half-way it was apparent that none of his opponents was in a position to cause the least anxiety. The merit of the Newmarket colt's performance can be gauged not only by the fact that he had the current Darby favourite, More Light, and the subsequent William Hill Futurity second, Warrington, "well cooked" a long way out, but also by the fact that he won in a time almost two seconds faster than that achieved by Baptism half-an-hour earlier.

RACING

BY DOMINIC WIGAN

him in recent weeks, there is absolutely no reason why he should not put his two opponents, Warrington and Lyphard's Wish, firmly in their places. A handsome chestnut by Busted out of the almost equally talented Still, Tromos fully earned his 1978 position at the head of the English and the newly instituted International Classification with outstanding performances in both the Clarence House and the William Hill Dewhurst. It is difficult to judge in

which of those two races Tromos put up the better performance. At Ascot in September he had his opponents in trouble fully three furlongs from home, and inside the quarter-mile marker he drew further and further ahead to pass the post with a dozen lengths in hand from Milford. It was little wonder that "Kipper" Lynch, one of Britain's most competent riders, though one with little experience of top-class two-year-olds, returned to the winner's enclosure somewhat bemused, commenting: "I was wondering what had happened behind because everything had suddenly gone quiet." The following month at Newmarket Tromos was only third choice in the market behind R. B. Chesne and More Light, the colt some had felt was unlucky to go under to the Warren Place juvenile in the Champagne Stakes. Those backers playing up their Clarence House winnings again had no worries from a new election. Sent into the lead soon after leaving the stalls, Tromos ate up the ground at the head of

Headlines: 1.25 Report Wales Headlines, 5.15 Melrose, 5.20 Crossroads, 6.00 Report West, 6.15 Report West, 7.00 News, 7.30 The Tuesday Movie, 8.00 News, 8.30 The Wednesday Movie, 9.00 News, 9.30 The Thursday Movie, 10.00 News, 10.30 The Friday Movie, 11.00 News, 11.30 The Saturday Movie, 12.00 News, 12.30 The Sunday Movie.

ENTERTAINMENT GUIDE

OPERA & BALLET. COLISEUM. Credit: 01-240 8258. Reservations 01-240 8259. 7.00 The Marriage of Figaro. 7.30 The Marriage of Figaro. 8.00 The Marriage of Figaro. 8.30 The Marriage of Figaro. 9.00 The Marriage of Figaro. 9.30 The Marriage of Figaro. 10.00 The Marriage of Figaro. 10.30 The Marriage of Figaro. 11.00 The Marriage of Figaro. 11.30 The Marriage of Figaro. 12.00 The Marriage of Figaro.

THEATRES. LYRIC THEATRE. Credit: 01-437 3688. 7.00 The Marriage of Figaro. 7.30 The Marriage of Figaro. 8.00 The Marriage of Figaro. 8.30 The Marriage of Figaro. 9.00 The Marriage of Figaro. 9.30 The Marriage of Figaro. 10.00 The Marriage of Figaro. 10.30 The Marriage of Figaro. 11.00 The Marriage of Figaro. 11.30 The Marriage of Figaro. 12.00 The Marriage of Figaro.

THEATRES. WAREHOUSES. Credit: 01-240 8258. Reservations 01-240 8259. 7.00 The Marriage of Figaro. 7.30 The Marriage of Figaro. 8.00 The Marriage of Figaro. 8.30 The Marriage of Figaro. 9.00 The Marriage of Figaro. 9.30 The Marriage of Figaro. 10.00 The Marriage of Figaro. 10.30 The Marriage of Figaro. 11.00 The Marriage of Figaro. 11.30 The Marriage of Figaro. 12.00 The Marriage of Figaro.

TV/Radio section listing BBC 1 and BBC 2 programmes. Includes times and titles for various shows like 'The Moulding Brooch', 'The Moulding Brooch', 'The Moulding Brooch'.

Racing section listing various races and horses. Includes names like 'Tromos', 'Milford', 'More Light', 'Warrington'.

Entertainment Guide section listing opera and ballet performances. Includes titles like 'The Marriage of Figaro' at the Coliseum.

Entertainment Guide section listing theatre performances. Includes titles like 'The Marriage of Figaro' at the Lyric Theatre.

F.T. CROSSWORD PUZZLE No. 3,948

Crossword puzzle grid with numbers 1 through 27 indicating starting positions for clues.

ACROSS. 1 Careless mistakes made by brick carrier (8). 2 Tommy's name for relations in the women's service (6). 3 Line not recorded by underground conductor (4, 4). 4 Southern Railway embracing baby stier (6). 5 It is not clear how the old boys were healed (8). 6 Learner in faultless state (6). 7 Stadium used to draw the line on fundamental principle (6, 4). 8 Top-liner on railway noticed visionary (6, 4). 9 Revolutionary part of play to prepare for publication (6). 10 Dashing to meet presentable girl on cloud nine (8). 11 Organisation striking perfectly well (6). 12 Symbol of working class clergy going to go one better (5, 3). 13 Sex-appeal can before end of day become glossy (6). 14 Complaint that can be picked up on beaches (8). 15 Like this student fellow to be enthusiastic about... (4, 2). 16 fashionable garment to place in office (6). 17 Shoot up the odds on utter defeat (8). 18 Fruitful oil supplier without experience put in shade (5, 5). 19 Fool of a cat seems sleepy (3, 5). 20 Ruin I get for organising conspiracy (8). 21 Riddle newsman hid (8). 22 Rostd roughly made in is vigorous condition (4, 6). 23 Extremely interesting but useless to upset Rugby Union promises to pay (8). 24 Firm a little bird finds going strong (4, 2, 2). 25 Part taken by father over law suit (8). 26 Run-around forward in Lancashire (6). 27 Average church beginner makes a packet (6). 28 Journey round southern examination (6). Solution of last Saturday's prize puzzle will be published with names of winners next Saturday.

Radio Wavelengths section listing various radio stations and their frequencies. Includes BBC Radio London, Capital Radio, and various regional stations.

Entertainment Guide section listing theatre performances. Includes titles like 'The Marriage of Figaro' at the Lyric Theatre.

Entertainment Guide section listing art galleries. Includes titles like 'The Marriage of Figaro' at the Lyric Theatre.

Business Travel

The rapid growth of business travel in recent years reflects both the increasing internationalism of trade and industry and the spreading network of high-speed communications. For the travel industry it has become a major source of revenue, displaying a stout resilience even in times of recession.

Busy circuit, big money

By Arthur Sandles

THE GAP between myth and reality is probably as large in business travel as anywhere else. The business traveller's image is one of hard living, gourmet eating, first-class travel only when Concorde is not available and, just occasionally, a little discreet business. The reality is often a long way from this. It is the long wait in an airport lounge in a shirt that should have been laundered two days before. It is the struggle to find a telephone line to London; it is the battle with the immigration man over visas; it is the potential buyer who intends to squeeze every drop of pleasure from his position of power.

Well, to be honest, let us say that both images are something of an exaggeration, but the travelling business community does occasionally suffer from an

over-flattering legend of being part of the jet-set lifestyle. Business travel, whatever its image, has come of age during the past decade. Recent years have seen an increasing sophistication in the services offered to the business community, but also an increasing sophistication in the understanding of business people.

This understanding has been deepened by two factors. The growth of international business travel has itself bred an understanding of what can be achieved. The European who finds that in the U.S. airlines have later check-in times, greater leg room, seat allocation and larger and better enforced no-smoking areas is reluctant to accept lower standards on his home ground. The American who finds European trains can whisk him between major cities with a speed and frequency which surprises him is driven to ask why he too cannot find this in his own country.

Today's ideal business hotel is, we hope, a mixture of American design and physical efficiency, of European caring and management standards, and of Oriental quality in its service.

But added to this deeper knowledge on the part of the traveller there is a greater awareness of the importance of money. The economic downturn which followed in the wake of the oil crises (the last one, that is, not the current one) awakes many a corporate treasurer to the need for tighter controls and may an individual business person to the realities of financial life. There is today, among the business community, a much



One of the problems business travellers face: passengers at Heathrow Airport affected by the 1977 air traffic controllers' dispute wait at the check-in points for news that their planes can leave.

greater willingness to question prices and to seek alternatives. The greatest single indication of the way in which life has changed is the fact that the number of companies which have travel managers is now probably in the majority, which was certainly not the case only a few years ago. These travel managers may not themselves be actual purchasers of tickets or organisers of trips (although

they often are), for this role is frequently handed over to one of the growing number of specialist business travel agencies. Instead the travel manager acts as a co-ordinator ensuring that the company's travel is being properly handled. Where such a task is still in the hands of assorted secretaries it is easy for two executives to find themselves flying to the same place for

similar purposes; for someone to make, for example, one-week trips every two months to a destination without realising that there is a cost-saver's dream; for an assortment of car rental houses to be in use when a large discount could be gained from patronising just one. Such is the complexity of air fare structures alone it is of some importance that there should be one person in any

organisation of consequence that understands a little of the travel world. The reason for the business community's popularity with the travel industry is not hard to track down. Business travel is a massive source of revenue. One executive can quickly run up an airline bill of £4,000 or £5,000 without much trouble and if he is a real long haul stay-away the figure could be

several times that. A large international organisation or company can easily have a total travel budget running into several millions. The eager salesmen are keen to beat on the doors of the right people—such unlikely doors as those of the World Council of Churches in Geneva, which is a spring from which flows a torrent of airline bookings, or the Red Adair organisation in Texas, now firmly under the belt of British Caledonian who have pledged always to get a 707 to Mr. Adair when he needs it for firefighting men and equipment.

Exotic

Not everyone has demands quite as urgent and exotic as Mr. Adair, but most business travellers have needs which demand something above the level of the average High Street travel agency counter clerk. For example, having had my overseas hotel room robbed and thus lost an airline ticket recently I took comfort in the 24-hour service offered by my agent—unused as it emerged, since the thief tried to cash the ticket, and the airline called me.

The secret of all travel agents, including business houses, is that they operate not out of the friendliness of their hearts but for commissions. Thus a travel agent is not all that interested in a business account which is confined to brief short-haul journeys. The commissions will vary from the 8.5 per cent which many airlines will give your agent in return for placing your booking through them, to around 40 per cent which he will get from some insurance

companies on travel insurance. Car hire can be quite profitable to him—the rates war among the giants means he will sometimes get 30 per cent of the basic rental fees—but the bulk of his commission levels will be in the order of 7-10 per cent.

Clearly if most of your transactions are for a few pounds the agent will not be interested. A test of this is to walk into a High Street agent and ask for a train ticket to some provincial town, an overnight hotel, and an onward ticket to another town. It is the sort of deal many agents will look at with contempt. A business travel house, however, learns to take the rough with the smooth, cheerfully if not happily making low-cost overnight reservations but looking to the day when you choose that first-class scheduled flight to Tokyo and back.

Past experience has shown that the business travel market is remarkably resilient. The economic recession of the past few years may have given everyone a pause for thought but it has done very little damage to actual traffic. Hotels are still being planned, aircraft are still being built and cars are still being added to fleets. There seems every reason to think that the business person is still going to be the much wooed customer in the future. That being the case there is still probably a little room for some further conservatism in the field. The business community may in recent years have learned how to read timetables and count the figures on a hotel bill, but it is not yet clear that they have learned to complain.

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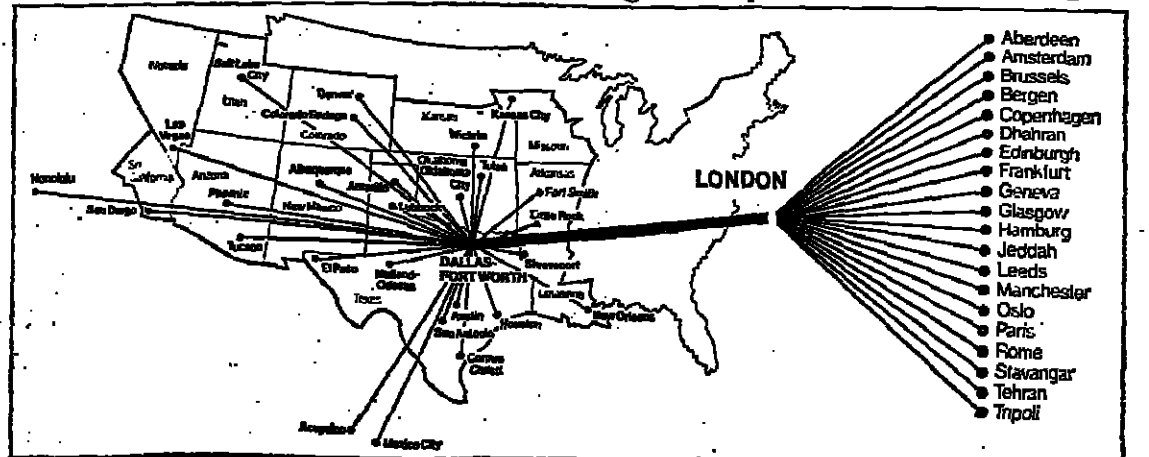
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FT 314

INCENTIVE TOURISM seems to be one of the growth phenomena of travel in the seventies. Over the past few years there has been a spectacular development of companies specialising in incentive travel or diverting some of their corporate time to it. What can be its attractions?

As far as the consumer is concerned, these are fairly easily seen. Travel's advantage over conventional incentive rewards (gold watches for long service, cash bonuses for good time-keeping) is that the company offering travel is giving dreams—an extra which the employees might not save for themselves. Travel as a reward for an employee or a sales outlet is much more likely to provide a family motivation than many other items—golf clubs are unlikely to enthrall the salesman's wife very much—and yet at the same time the actual trip itself can often be allied to work, such as a conference, which will be of use to both company and employee.

For the travel business incentive travel has sizeable attractions. Not only is it often group travel, but also it is frequently off-season and, in many cases, the client is more interested in the quality than the price.

This last point is an important factor in the setting up of any incentive trip. A good salesman who is being rewarded for a fantastic year's work by a trip to the Bahamas is not going to find himself well-disposed towards his employers if he cannot afford to eat or drink in the de luxe hotel in which he has been placed for two weeks—a not unusual event in the world of incentive travel.

It is for this reason that companies tend to avoid spoiling the ship for a hap'orth of tar by trying to tie up as many loose ends as possible.

Incentives are not, however, simply a matter of sticking a target into an employee's pay packet and giving him the tickets when the target point has been reached. Most companies that have become involved in the incentives business take a considerably more sophisticated look at things than that.

One of the basic problems is that incentives and motiva-

tions differ from person to person and have to be tailored not only to companies, but also if possible to individuals or at least groups. As one cynical motivator said not long ago, in any one company there are 10 per cent of people who will never produce more no matter what goodies are showered upon them, and there is another 10 per cent who will work their hearts out regardless. It is identifying and motivating the other 80 per cent which is the problem.

Restraint

Wage restraint and the increasing difficulty some companies have in paying different salaries according to productivity have led employers to look more closely at the question of incentive schemes, and particularly at incentive travel.

The enormous advantage of being able to mix business with pleasure is one that should be discounted as simply just another sales line. I have been on incentive tours which have been really hard work for those

involved, with long periods of meetings and briefings on new products or new sales methods, and yet the mood has been one of receptive relaxation. The company has put its message across while the staff are feeling they have had a good time.

What benefits the incentive travel business at the moment is that it is such a fashionable area of activity that it is attracting people into it who have little real expertise and a great deal of ambition. Unfortunately it is an area of travel that requires more, rather than less, skill. An incentive tour organiser is more likely than not to be required to show a wide degree of knowledge of conference organisation as well as the organisation and running of a social programme.

As well as the incentive houses which specialise in that alone it is quite normal now for the larger agents and operators to have completely separate divisions for the incentive travel market.

What is particularly useful in this is that agents become used

to assessing particular problems. It is not the case, of course, that travel is the great cure-all for every industrial ill. And above all, any company which decides upon any sort of incentive scheme the difficulty is not always starting it, but ending it when its useful life has

been exhausted. Taking all the employees off to Bermuda for a couple of weeks in the autumn may not be the wisest of courses for any organisation to embark upon as a permanent condition of employment.

Arthur Sandles

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Rules

In the past businessmen have ignored packages, mainly because they were inconvenient. Outward and inward journeys had to be made on specified days and ironclad rules stipulated the number of nights that could be spent in an hotel. In an industry much given to initials, ITX has changed much of that.

ITX stands for Individual Inclusive Tours, special fares offered by scheduled airlines over much of the world. Travel agents buy ITX tickets and then carry them to hotel accommodation that they have purchased at discount prices. Not too much attention, however, should be paid to initials. For some countries they seem to die soon after birth. For Far East destinations, for instance, ITX fares have been superseded by so-called GV group fares as the preferred fare for package travel.

The drawback of course, is that flexibility does end somewhere. The use of ITX fares invariably means that the traveller must spend a minimum of six days and nights and a maximum of one month abroad, a condition not always agreeable to the traveller whose business requires no more than a two-night stay.

Use of the weekend IT is also limited to travellers who can fly out late on Thursday or any time on Friday or Saturday and return the following Sunday, Monday or Tuesday. The drawbacks are obvious, and conditions are unlikely to be altered by airlines, which still rely heavily for their revenues on the full-fare passenger.

The package market has brought about a welcome development in business travel: the use of travel agency muscle to buy hotel accommodation in bulk and offer it to the businessman for less than he could obtain from the hotel.

A growing trend for these kind of packages has been noticed by Mike Gattas, commercial tours manager of Hogg Robinson: "Major travel agencies are now negotiating deals with de luxe and first-class hotels that can produce savings of up to 50 per cent for the business traveller," he said. "Behind this development is the fact that companies are



هكمان الترحيل

The skills of car hire

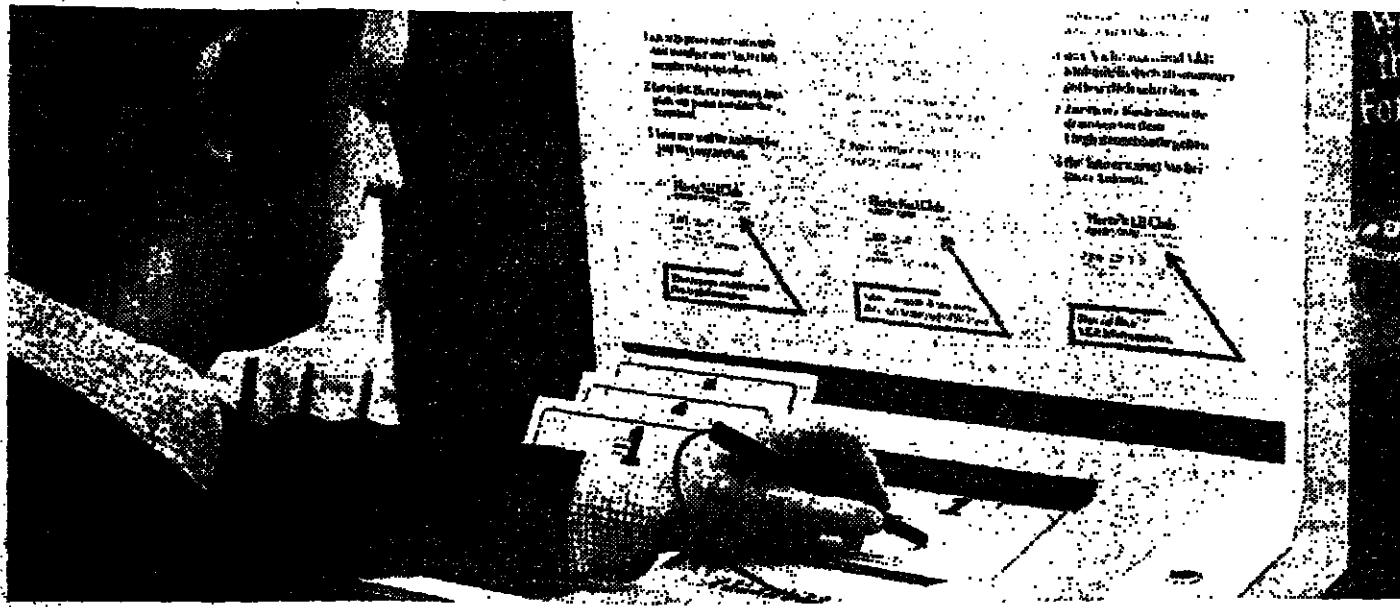
NO DOUBT there was a time when the first thing you saw when you stepped from ship or aircraft was the swirling palms or the colourful uniforms of the local constabulary. That is no longer true. Today the first impressions are likely to be the splash of colour provided by the gold of Hertz and the Red of Avis, further elaborated in various territories by their local rivals—the deep blue of Godfrey Davis in the UK and the alternative red of Europcar in France.

For the user of cars the size of a company is irrelevant, provided it is big enough to provide the depth of service he requires. Thus the fact that Godfrey Davis claims to be the British No. 1 is probably of less import to the consumer than that company's important alliance with British Rail; and the fact that Avis and Hertz still argue over who is No. 1 is of less relevance than the fact that these two are locked in an international war to provide the consumer with ever faster services.

Before this article becomes simply a discussion of the car rental industry, it is worth pointing out that they are not the entire car rental industry, nor yet even the bulk of it. Most of the world's car hire still rests in the hands of comparatively small companies, although the big groups are making increasing inroads: either by direct taking of more business or by extending franchise operations. For the business renter the bulk of whose business is base-to-base and in one country, it may be well worth while seeking quotations from local operators.

"Ahah!" say the big boys. "But you just wait until you break down one late night in Invernesshire. Only we can get you going again quickly, your local man will never do."

Well, it is true there may be advantages, but the investigations are still worth making. Perhaps it is the ability to be large and yet retain the identity of the local company which has helped Godfrey Davis hold off the foreign invasion, and at the same time gradually expand its own foreign links. Davis, which has traditionally found its strength in the domestic business market, relying much less than its rivals on the overseas



Above: Telenote, an electronic device installed by Hertz at Heathrow Airport last year to save time for the company's No. 1 Club members as they arrive.

market is eager to point out that car rental prices have not risen at anything like the speed of car prices themselves.

Rivals

One of the reasons for this is the car companies have vastly improved their own management techniques of the years and have, at the same time, done some effective missionary work on consumers.

The result is that car fleets are today likely to be much closer in size to actual demand, and that demand is likely to be much more even over the year. There are various skills in car rental management, but one of them lies in ordering just enough cars for the fleet that you have a high occupancy level—that most of your cars at any one moment are out on the road earning money—but that demand is not so high that you are turning customers away and driving them to the rival operators.

There are times, as we all know from August Saturdays at London's Heathrow, when the calculations go a little wrong, but by and large it works remarkably well.

In fact it is in ironing out these awkward moments that

car rental management is spending to much time today. In recent years much of the battle between the giants has been in the field of outlet location. Now, with location positions largely entrenched, and having got through the brief aberration of a commission war which raged unseen to the High Street client, the companies are pushing hard on service.

The most recent public demonstration of this was the Hertz announcement of a £1.75m investment not in cars but in computers in Europe and the UK. The advantage of this to the consumer is that the renter is able to print out rental agreements much more quickly via terminals in the rental office, and can often do this in advance. It should also speed up check-in calculations since these will be done with the assistance of the computer.

Avis, of course, is not about to stand by and let Hertz walk away with its own "We try harder" image, or even "we try quicker." Its English-born chief executive, Mr. Colin Marshall, clearly believes that Avis will continue the spectacular growth it has shown in Europe over recent years.

Among the British-based companies Saatchi and Saatchi, be-

sides doing their work for the Conservative Party, will be using their skills to promote the facilities of Godfrey Davis. Another advertising campaign of consequence will be seen from Swan National, an organisation which has grown rapidly in recent years.

With French-owned Europcar and American franchise organisation Budget also making considerable noise on the British market, it looks as if the UK car renter is in for a busy year of wooing.

The one cloud on the horizon is, of course, oil problems both in the form of supply and price. However, this is not necessarily bad news for the car renters since such problems often send drivers into the arms of the

rental companies because in such times owners prefer to be at the wheel of someone else's vehicle rather than their own.

What the oil worries have done is to encourage car rental fleets the world over to trade down in the size of their cars. From time to time in the coming year as you rush to pick up your limousine you may find that the rental company encourages you instead into something smaller. This is not just that they are trying to save you money. It is that most of them seem to have taken the decision that for the time being small, or at least medium sized, if not beautiful, is certainly preferable.

A.S.

Savings

CONTINUED FROM PREVIOUS PAGE

closely examining their travel bills and are looking for reasonable ways to reduce them without affecting the efficiency of their travelling staff.

Packages are also being used by businessmen not so much for the savings but to ensure that their hotel accommodation is confirmed in "difficult" cities. A number of travel agents are offering this kind of package.

Travel to and accommodation in the Middle East is expensive by any standards (£50 to £70 a night is not uncommon) and the cost is unlikely to be reduced in the foreseeable future. Even worse is the possibility that on arrival the traveller will find that his confirmed hotel reservation is worth no more than the Telex paper the confirmation

was transmitted on.

One London-based travel agency (Travel Services) claims that travellers to the Middle East can now plan a business trip "with absolute confidence" as a result of a booking service it has negotiated with first-class and luxury hotels in Abu Dhabi, Bahrain, Cairo, Djaraf, Doha, Dubai, Jeddah, Kuwait, Muscat and Riyadh.

It is offering 10-night packages from around £1,000 in any combination of the cities. The savings—perhaps £100 for a 10-day trip—appears to be minimal, but the agency believes that travellers will welcome the service of being able to book in advance and be assured that the rooms are confirmed.

The degree of conformity

required to take part in a package is not always as severe as is sometimes supposed. Many of them for the business community ask only that a group travels out together, allowing different dates of return. Many are tied specifically to foreign events and are constructed in such a way as to meet the most likely demands. Such is the market these days that most larger international events will provide a hook for some agent or operator to set up a tour, and most larger cities in the world have regular tours based on them year-round. Thus the British visitor to Tokyo or Los Angeles, Moscow or Bahrain, will find that provided they are prepared to meet a few simple requirements—normally affecting the length of stay—the costs are substantially reduced and much of the inconvenience and uncertainty of booking removed.

Of course, it is the conformity to these requirements, no matter how simple they may seem, which provide the stumbling block. What if the Board wants me back home immediately? What if the deal falls through and I might as well leave? What if the kids are sick? Probably the answer is to look back on the previous year's business trips and discover how many "What-ifs" actually happened, and make the decision accordingly.

Smile

If the "What-ifs" are weighing heavily on your mind, you might like to consider the following examples of the savings which are available. Athens: normal return air fare £318, but Wakefield Fortune will sell you a night and six days in an hotel (the Athens Palace) for £177, and that is one of the more pricy trips. Mexico City: normal return fare £547, but Americana will sell you a seven-night trip with hotel from £482. Cairo: Normal return fare £369, but Ellerman Travel offers trips, with six nights' accommodation, from £450. And Singapore: Normal fare £305, but Turnbull Gibson has been running flights there connected to exhibition for £500, including seven nights' accommodation. All these are recently published prices and fares, all are subject to change, but the illustration is still worth while.

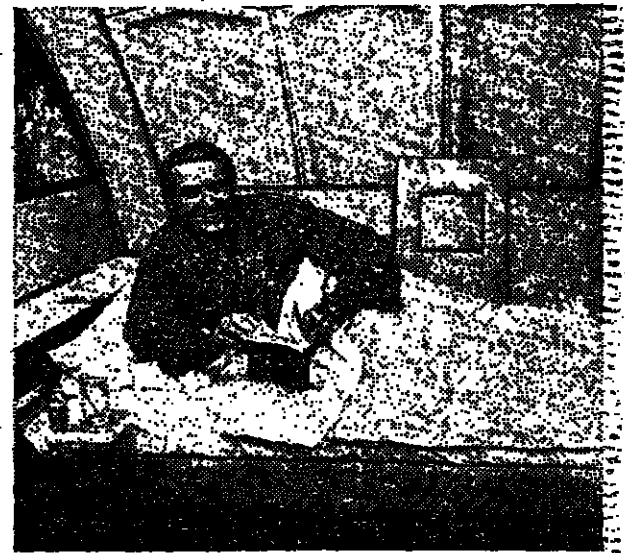
Being prepared to join a package does not necessarily entail joining the bucket-and-spade brigade. Usually it means travelling with fellow business people. Usually the agent will have not chartered a whole flight, only a certain number of seats, so you may not even know who your fellow passengers are. Certainly nothing is going to mark out the packaged businessman from the rest of the crowd, unless it is the smile on his face, thanks to the low fare he is paying.

Dan Hillman

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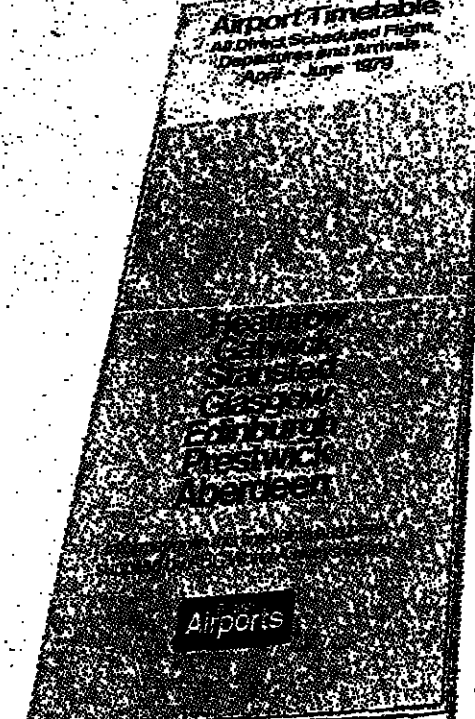


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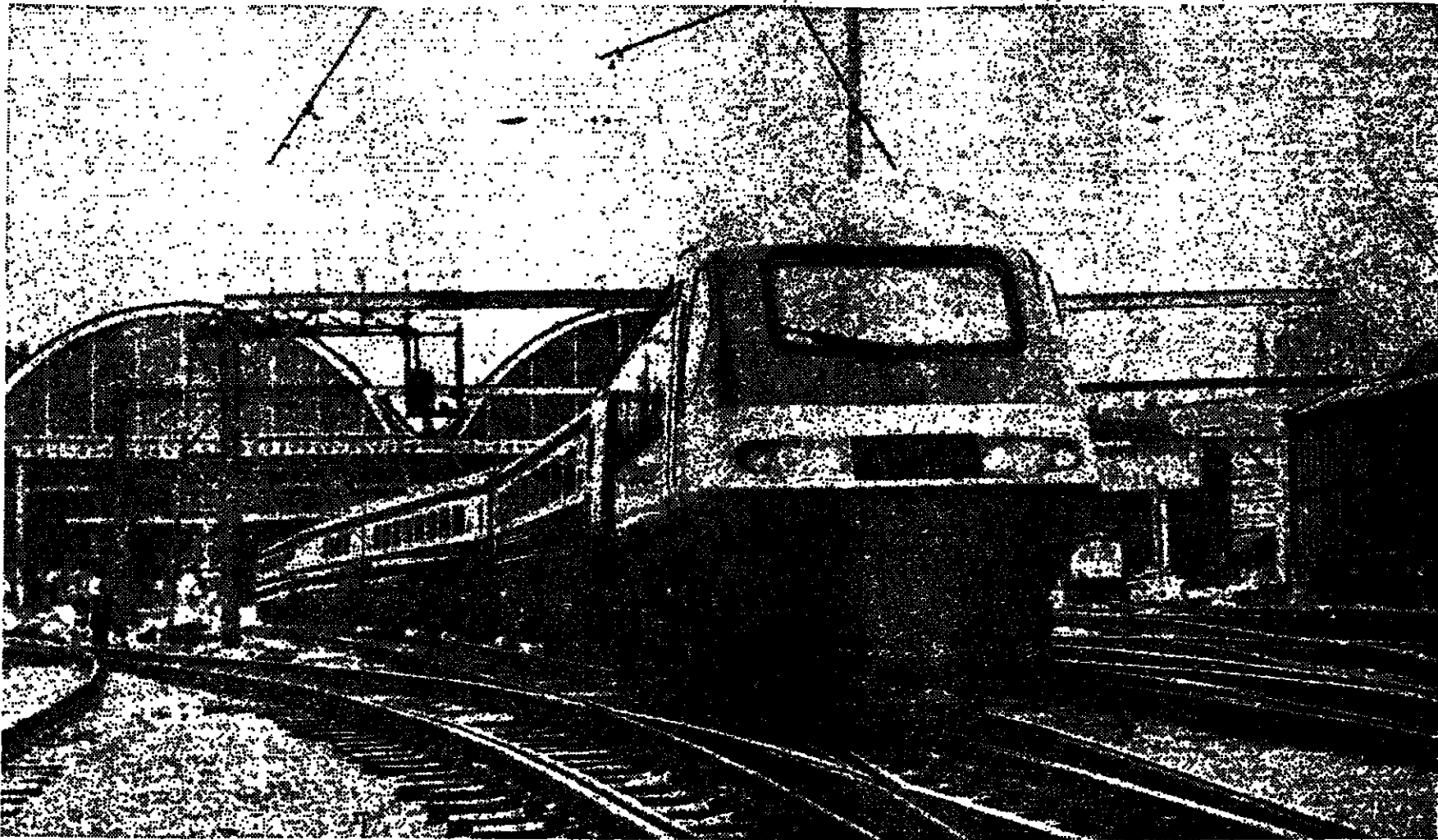
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Speeding up the railways

PERHAPS IT is a compliment to British Rail, but the moment my London Underground train stopped for more than 10 minutes in a tunnel I knew I would miss my Inter-City connection to the North. Sure enough, I did. It would be foolish to suggest that all trains leave on time, and even worse to suggest that they always actually arrive when planned, but European, including British, inter-city communications are remarkably reliable when compared with those of some other countries and even the time-keeping of other forms of transport. We still tend to ask that our trains run to within a minute or two of their schedules, while few indeed are the aircraft that leave the ground within 60 seconds of advertised time.

British devotion to the railways (devotion is a relative word) has paid off as far as custom is concerned. Upgrading a service has immediate and appreciable consequences for carryings. The introduction of the Inter-City 125 services between London (Paddington) and the West and Wales produced 20 per cent more traffic once the full 90 runs a day schedule was working.



High-speed trains like this one have cut journey times between Britain's cities and tempt businessmen to leave their cars at home.

Savings

Of course the time savings have been impressive. In the good old days the run from London to Bristol would take 1 hour 47 minutes, and this has been cut to 1 hour 25 minutes. Bristol used to be 2 hours 16 minutes from London, but it is now 1 hour 45 minutes. Clearly this is a considerable argument for leaving the car at home, in spite of the presence of the M5, one of Britain's pleasanter motorway drives.

British trains are now the fastest in the world in regular service on normal tracks carrying all traffic. The famed Japanese Bullet trains were specially designed for their runs and the tracks carry nothing else. The French TGV trains, which are a little slower than those in the UK, are generally limited to passengers who pay a supplementary fee.

Speed is not of course, everything. Recently I was in an American train through Texas. It was 45 minutes late in arrival and we had all sitting on the train, waiting for the

been a station for the gleaming monster to arrive. There were no station buffets, no bookstand and, as far as I could see, no lavatories. The train itself, however, was very impressive. Air conditioned, deeply carpeted, very quiet and with superb seating. Once we actually started, the ride surprised me with its speed and the price was surprisingly low—£3 for 70 miles.

The sense of being on the frontier was certainly considerably greater than on another recent journey, about three hours' rail travel in three different countries in Switzerland. On neither the outward nor the inward journey did any of the train's staff take more than 20 seconds before or after the scheduled stop.

Some, with the train, cities

relatively closely together and with fairly large residential areas between them, is much better territory for a rail system to survive the onslaughts of air travel than many others, of course. But in Europe the railways have been nurtured and maintained and we should consider ourselves fortunate for it.

The introduction of much higher speeds in the UK has sharpened the competition with aircraft, which are hindered of course by having out of town airports, often inconveniently located. Speed continues to be the aim of railway operators in the world over. The 200-mile-per-hour service was broken recently in Japan in tests, but we should certainly hope to make do with half that speed in our

Inter-City services for some time to come. Even at that rate Newcastle comes within three hours of London, enough to match if not beat the centre-to-airport / to-destination-to-city time by air.

British Rail has all sorts of magic calculations aimed at proving that rail travel can be cheaper than road which, if you happen to be going from Oxford Circus to Princes Street it probably is, but not if you are heading from Faversham in Kent to Langollen in North Wales. Rail's appeal does not rest in playing with figures in this way, it lies in its ability to get you out from city centre to city centre in a degree of comfort which is not available elsewhere. It is not easy to work on an aircraft, in fact it is very

nearly impossible when travelling in a crowded tourist class, given the seat pitch that most European airlines provide. On a train it is simplicity itself.

Appeal

The next development to be seen by the travelling public in Britain will be the Advanced Passenger Trains. The APT's appeal is not due to its speed, although this is high, it is its ability to maintain those speeds for long stretches in spite of bends in the tracks which might send passengers and luggage careering across the cars in a normal train. Special suspension systems will enable the APT's to hold speeds above 100 mph, and thus aim at a speed at those remaining areas of

aircraft domination of business traffic in the UK, the Scottish routes.

I suspect that as the fuel position continues to deteriorate internationally so enthusiasm for trains, or whatever may be the tracked transport of the future, will develop. That being the case, we may now be watching not the last fling of a tracked world trying to ignore the march of science, but simply an intermediary stage before even greater speeds and comfort. Not that such thoughts were much use to me as I sat on the Metropolitan Line hoping against hope to get to Euston Square. But I suppose the APT would look a bit odd starting from Hammersmith.

A.S.

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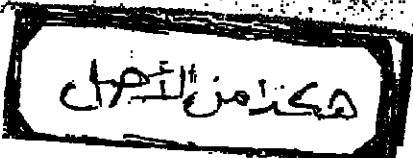
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Coping with the rules

BUSINESS TRAVEL breeds myths. The one that it is fun, pugilist akin to an extra holiday, now only lingers in some company backwaters. The new myth that it is easy to travel thousands of miles in a matter of hours and conduct business in much the same way as at home will be harder to kill.

But no myth is likely to spring from the mass of rules and regulations that now engulf travellers who set off confidently from the well-worn tracks of Europe and North America. They are far too evasive to support romantic notions.

Albania, hardly a boom market for business travel, is a good case in point. Here entry regulations strike the few tourists who venture there as something of a farce.

Apparently dismissing the ornamental as just part of the local colour and unlikely to affect a good away-from-it-all holiday, one tourist, writing to a national newspaper, reported that on arrival at Tirana Airport "one male member of the party was required to take a haircut, another to change his trousers three times (too wide, it seemed). My wife and a number of other women had to change from slacks to skirts. Not one member of the party complained or grumbled."

Experienced travellers would probably have had the sense to look up Albania's quaint regula-

tions, with the help of a travel agent or an airline, and discovered that the government there does indeed refuse entry to visitors who do not comply with fashion requirements. Currently banned, for example, are long and/or unkempt hair, beards, mini-skirts, maxi-skirts and extravagant trousers.

Precise

Some countries are far more precise. The British Overseas Trade Board warns businessmen that under Malawi law it is an offence for men to wear bell-bottom trousers or to have long hair. It notes: "This hair should not be allowed to trespass below an imaginary line drawn horizontally around the head at the level of the mouth. In the Decency of Dress (Amendment) Act 1974 bell-bottom trousers are defined as any flared trousers so made that the circumference of each leg thereof measured along the bottom edge is greater than six-fifths of the circumference of such leg measured at its narrowest point parallel to the foresaid bottom edge."

Women visitors to Malawi are cautioned that they are not allowed to wear shorts or trousers in public and that they must ensure that their skirts and dresses are long enough to entirely cover the kneecap when the wearer is standing up. These regulations, incidentally,

do not apply in resort areas or in any sport for which mini-skirts, shorts and trousers are customary.

Costa Rica refuses admission to anyone with long and unkempt hair, a beard or "indecent" clothing and, incidentally, also bans citizens of Argentina, gypsies of any nationality and anyone who arrives without sufficient funds.

Until a few months ago, Tanzania barred women from wearing wigs or above-the-knee dresses and men from being clothed in tight-fitting or bell-bottomed trousers, but that now is apparently rescinded.

Thailand also requires visitors to meet a standard of dress, but its rules are patently aimed at hippies, and while a Thai customs man once hesitated for a second or two over the reasonable length of my hair, he let me pass without ordering me to visit the on-the-spot hairdresser.

Clothing sport, travellers must watch other local bans. Unlike to affect business travellers, it is true, but Austria forbids anyone from wearing a military or any other uniform while entering the country unless they are merely in transit through the airport.

Canada refuses to allow in tourist drums if they happen to be made of skins that come from Haiti. Barbados prohibits in-

coming passengers from carrying rum or matches and Czechoslovakia does not want anyone bringing in unused clothing for gifts. Turkey permits arrivals to carry only one pack of cards and entering Finland, a passenger is allowed to bring in no more than 21 kilos of butter. Spanish newspapers are banned in Equatorial Africa.

Fiji appears to be having trouble with pilgrims importing Holy Water. Under strict rules to prevent the islands from being inundated with it, pilgrims are limited to just one pint and it must be carried in hermetically-sealed containers from the country of origin. The water must be certified to be free from cholera, typhoid or paratyphoid germs.

Businessmen visiting the Cook Islands from Honolulu, Nandi or Papete should be warned that all incoming baggage is fumigated, a process that takes two hours. The official warning states that passengers should not pack tubes of toothpaste or shaving cream, fountain pens or any bottle containing a cork.

They are also doing something similar in Papete, in French Polynesia, where all luggage arriving from Fiji is also given a 30-minute fumigation.

Official suspicion of photography is well known in some parts of the world. In Afghan-

stan, a traveller needs written permission from the tourist bureau in Kabul before he can take photographs, and China limits cameras to one per incoming family and will not allow in exposed but undeveloped films.

As part of its austerity campaign, Nigeria forbids arriving passengers to include champagne or sparkling wine among his duty-free allowances, even though customs men will not raise an eyebrow at a litre of spirits and a litre of wine. Passengers who disregard the ban are liable to a heavy fine or at least six months' imprisonment.

In the general field of travel, Libya is regarded by experienced travellers as one of the most difficult countries to enter. The Libyan government demands that all travel documents, including health certificates, should be completed in Arabic. This prerequisite entails asking a British passport, which should bear no evidence of a past or intended visit to Israel, to the Passport Office and having a special Arabic-language stamp placed in it.

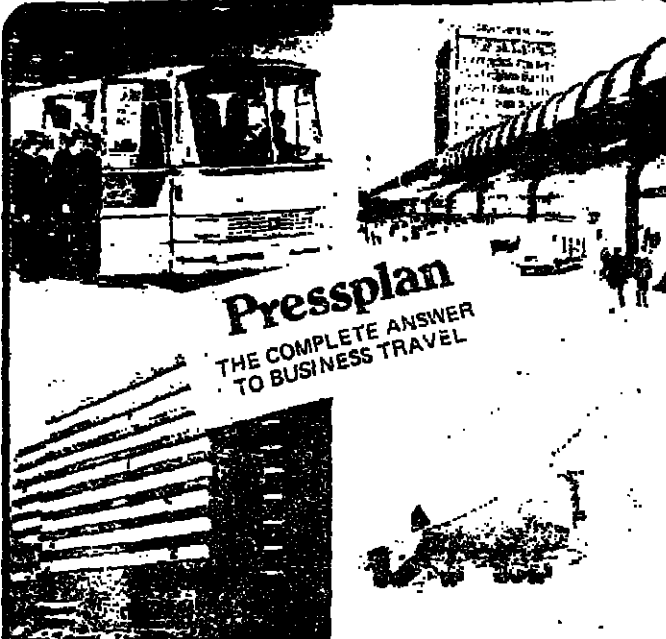
The visa form must be completed in Arabic, including the

passenger's name, and there must be no mistakes or omissions. One application was rejected because the passenger failed to name his accommodation address in Libya. His explanation that he did not know because his hotel was being booked by a Libyan government department was to no avail.

But there is some good news about entry to Libya. As a result of restrictions imposed by the visa department of the Libyan consulate on January 1 this year, it would not accept any more than 60 visa applications on each of the four days it was open—Monday to Thursday. In addition, no more than five visa applications were being accepted from any company.

No reasons for the restrictions were given, although travel agencies which normally handle this kind of processing believed it was in retaliation for alleged slow handling of Libyan travel documents by the British. As a result, queues formed outside the consulate as early as 8 am and intending visitors to Libya were warned that visas might take up to three weeks to procure. Libya has now removed those restrictions and visitors now have to wait no longer than one week.

Dan Hillman



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Abundance of guide books

THE SUREST test for anyone who has even the smallest library of guide books is the speed at which "they" are "borrowed" by friends. If that be the case then the Michelin Guide to France is closely rivalled in popularity among my circle of acquaintances by the Egon Ronay Lucas Guide to the UK with the FT's own World Hotel Directory running in a late third.

Guide books run from the indispensable to the utterly ignorable, and unfortunately there are far too many of the latter. Anyone contemplating any form of trip, and particularly a foreign trip, should study the market with considerable care before making a choice.

As far as Britain is concerned the choice for the traveller as opposed to the holidaymaker or diner-out, has to be Ronay. With his work at least you snatch some idea of the mood of a place, a little bit of information which the stark text of Michelin does not impart, and it contains details of hotels, which the Consumer's Association's own Good Food Guide does not. If I have a particular criticism of Ronay—and other guides—it is the absence of "last resort" suggestions.

Middle East and North Africa. This guide (which costs £1.65 a month) is briefcase if not pocket-sized and is an extremely handy reference work. It is one of a wide range of publications done by ABC and any company travel manager should study the list of offerings.

On a world wide basis 15 member airlines of IATA get together to produce the TIAF (travel information manual) which you will find under most travel agents' desks. For your own copy contact PO Box 7627, 1183, Schiphol Airport, The Netherlands. Or try Air France or Quantas as two of the team members. TIAF is not a hotel directory but a detailed and exhaustive list of the world's immigration, health, money and trade regulations. If you are a Tongan planning to enter Malawi, it will help as it will if you are a Norwegian planning a sales trip to El Salvador.

Tim is, however, a fairly sticky read. Dan Hillman's Businessmen's Travel Guide to the world's top trading countries (Cassell) is easier going if a little less comprehensive. The Hillman guide does, unlike Tim, list hotels.

Electronic

If you have an electronic turn of mind you can check on a range of destinations on the GPO's Prestel teletext service. Mr. Maurice Minzely seems to have cornered this particular section of the market for the moment and is constantly adding to the mass of information already available on various cities and resort areas via Prestel. If you are in London and wish to experiment with Prestel, talk nicely to the people at the Portman hotel who are eager to promote the fact that they are in the forefront with its use in the London hotel world. Mr. Minzely is himself on hand from time to time so if the travel section of Prestel is not offering what you want you can actually take him aside and tell him.

It may be true that one can sleep but not eat in Hartlepool (I was born there and have fond memories of the winkles in particular) or Bolton, but it would be nice to be given some hint of a possible place to ease one's appetite. The AA Hotels and Restaurants Guide goes some way towards mending this fault while remaining more readable than the mendacious Michelin, but on the whole the Ronay version is more informative.

Glossy

Outside Britain the traveller must tread very warily indeed. There are a great number of guides with glossy titles and a deep lack of information. For some reason the U.S. is blessed, or cursed, with more than its fair share of these. Perhaps guide writers feel that as many places as possible must be mentioned but that the whole country must be done as one. The result is that many of the guides are virtually useless once you step outside New York, Miami, Los Angeles and San Francisco, offering very scanty information indeed.

Fortunately the publishers of the Mobil area guides to the U.S. avoid this problem and they are by far the best series for sorting out hotels and restaurants, particularly if you are touring. I have yet to find the 1979 issues in a European store so cannot give prices, but even the 1978 versions are acceptable if you are leaving soon.

In Europe in general Michelin is reliable, if more so in France than in other countries. In particular Michelin's maps are useful, not only for finding hotels and restaurants, but also for finding one's way around cities generally. A very useful aid to travel in Europe is the ABC Air/Rail Europe guide which offers main air and inter-city rail timetables as well as some connecting flights through to the

any business trip is the basic travel book. The publication lag is such today that a work of any literary pretensions is likely to take so long getting to the bookstands as to be more useful for its poetry than its fact on exchange rates, bank opening times, health requirements and even the form of Government.

For these you are better off turning to our own Governmental services and to the banks, who can often be very helpful indeed with briefing material—more so if you are a customer of course.

For myself I always add a few books for local colour reading when making a trip. A bit of Simenon for France, Thurber for the U.S., and any of the dozens of splendid writers about India (but the last one I took there was Old Tales from the Raj). The greatest success in this field was not, however, anything with such a vintage twist to it. It was Le Carre's Honourable Schoolboy, which I read while in its main location, Hong Kong.

A.S.



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BUSINESS TRAVEL VI

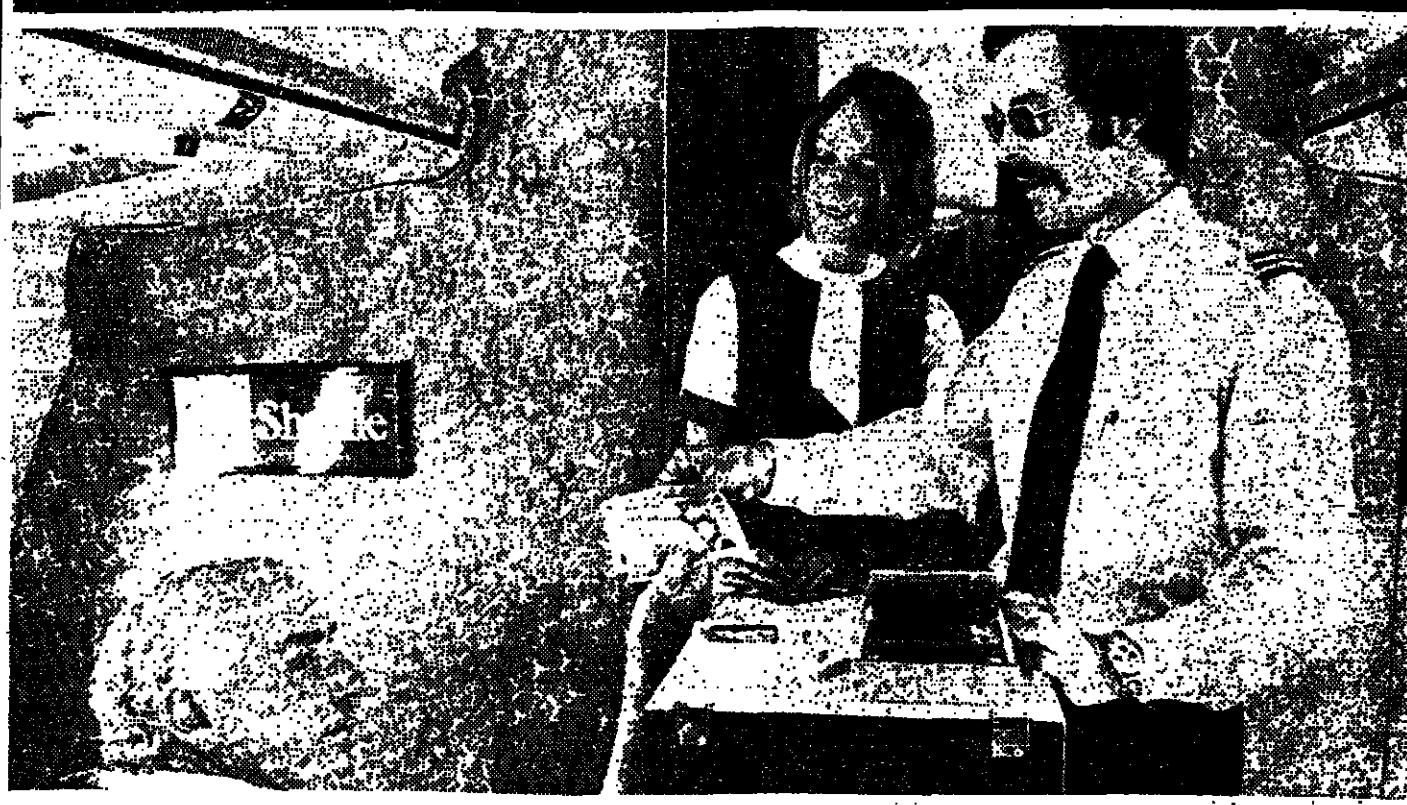
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Setting the tone in the air

DESPITE THE emphasis placed over the past year or so on the so-called "cheap fare" explosion, with the consequent increases in traffic on many long-haul routes, the business traveller remains the linch-pin of the world scheduled airline industry.

He (or she) it is who flies frequently, often early in the morning or late at night, paying the full fare for the privilege of doing so. He (or she) it is who not only wants, but needs, the flexibility of travel that comes from the ability to change travel plans at a moment's notice, and who expects a consistently high standard of comfort, convenience and service both on the ground and in the air, together with a high degree of punctuality and safety.

It is not going too far to suggest that without the business traveller's insistence upon the maintenance of such standards, the world's airline system long ago would have degenerated into the standards of cheap holiday flying, with cramped seating, minimal standards of ground and in-flight service, and far less

meticulous standards of punctuality.

The business traveller, in effect, sets much of the tone of the world's airline system, whether long or short-haul, international or domestic. There are few statistics of the volume of business travel throughout the world, but for all that cheap fares in the recent past have stimulated leisure and other traffic, it is probably still true to suggest that business travellers account for well over half of all world air travel—although clearly the balance varies widely according to the routes flown, and the times of day, month or year. Traffic to Palma, Majorca, on a hot summer Saturday is likely to be all-holiday traffic, but that to New York on a mid-week day February morning is likely to be substantially business in motivation.

Another aspect of the current world air passenger scene is that while a substantial volume of the business traffic does go first-class—last year on the North Atlantic, for example,

first-class traffic rose 19.3 per cent to 768,093 passengers—an increasing proportion of all travel is by full-fare economy class. The North Atlantic total last year in this bracket rose 21.7 per cent to nearly 12.6m passengers, and while much of this was due to the increase in low-fare leisure travel, an increasing proportion of it was also due to a growth in business traffic of all kinds.

The effect of rising costs on business travel is something many of the world's major scheduled airlines have spent considerable time and money on researching. They have discovered that more and more small- to medium-sized companies are tending to send their executives abroad in the search of business, but that because of rising costs, they are tending to send them increasingly economy class, rather than first. Increasingly, companies tend to employ travel managers whose task it is to seek out the cheapest rate consistent with comfort, executive dignity, and the ability to work at the end of a trip, especially if it is a long one.

This has resulted in an expansion in the number of full-fare economy class business travellers, whose companies are not prepared to pay first-class rates, and while the airlines persist in their campaigns to encourage more first-class travel, nevertheless they are now obliged to devote more of their time and attention to meeting the needs of this growing lower-fare class of business traveller.

Campaigns

Along with this there has been a growth in criticism from those business travellers who, for their higher fares compared with cheap standby and other passengers, have been crushed into the same cabins, given the same standards of food and service, and generally regarded as part of the mass of cheap-fare occupants of the back-end of the Jumbo jet. It is a legitimate complaint, and one that many airlines have been slow to recognise.

But today many of them have accepted that a substantial proportion of their traffic does come from the business traveller who cannot afford first-class fares, and accordingly they have introduced what has become known as the "three class concept" of air travel, involving the introduction of special cabins on the aircraft, giving a standard of service midway between that of the first class and that of the very low-fare class at the back of the aeroplane. These cabins have various names, but they all are intended to provide the same thing—a comparatively more peaceful environment in which to fly than that enjoyed by travellers paying less cash for their ride.

Whether these "second-class" cabins for that effectively is what they are, meet the individual businessman's requirements is a matter of opinion. But it seems clear that as costs continue to rise, this kind of "multi-service" concept is likely to expand, for it will be the only way that the scheduled airlines will be able to meet the aspirations of different classes of traveller.

Beyond this, the airlines are seeking to woo the business traveller in a variety of ways. As the old restrictive regulations of the International Air Transport Association, to which most scheduled airlines in the world belong, are swept away, the airlines will become freer to offer better and bigger inducements to win the higher-fare passengers. On the ground these inducements already range from special facilities for smoother and faster check-in to special lounges where travellers can wait for their flights, assistance in making car hire or hotel reservations, and the provision of secretarial and other assistance.

British Airways, for example, offers one of the broadest ranges of incentives to businessmen:

covering such things as help in arranging conference, information on markets, "executive cabins" on jumbo jets, over 80 associated hotels world-wide, an "Executive Club" that includes among other things reduced rates in many affiliated hotels, and special items like "Spouse Fares," whereby a wife can accompany her husband at a reduced fare.

Many other airlines offer comparable facilities, and it is always well worth any business traveller's time to inquire before starting a trip just what facilities the airline is prepared to offer. The extent of what is available just for the asking might surprise many business travellers who tend perhaps to complain before they really investigate.

Short

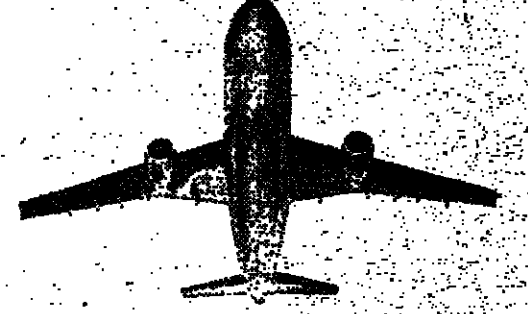
On the other hand they can be little doubt that many airlines fall short in what they can—or even should—do for the genuine business traveller. When all is said and done, what the business traveller wants most of all from any airline is a punctual, reliable, safe and convenient journey, from smooth check-in to rapid baggage recovery at the end, together with courteous, adequate and prompt information when things go wrong, as they sometimes do, and ready help in making alternative arrangements.

It is not a lot to ask, perhaps, although it does encompass the entire spectrum of airline operations. But it is surprising how often the little touches which cost nothing are ignored, and they can make all the difference between bringing a customer back to fly with an airline again, or making him go elsewhere. Nothing is more aggravating to a business traveller than the bromide voice of the stewardess on the approach to landing declaiming that she hopes the passengers have enjoyed flying with X, and will come back again, when manifestly the service has been bad, the aircraft is late, and the airline and its staff could not really care less.

Michael Donne

Aerospace Correspondent

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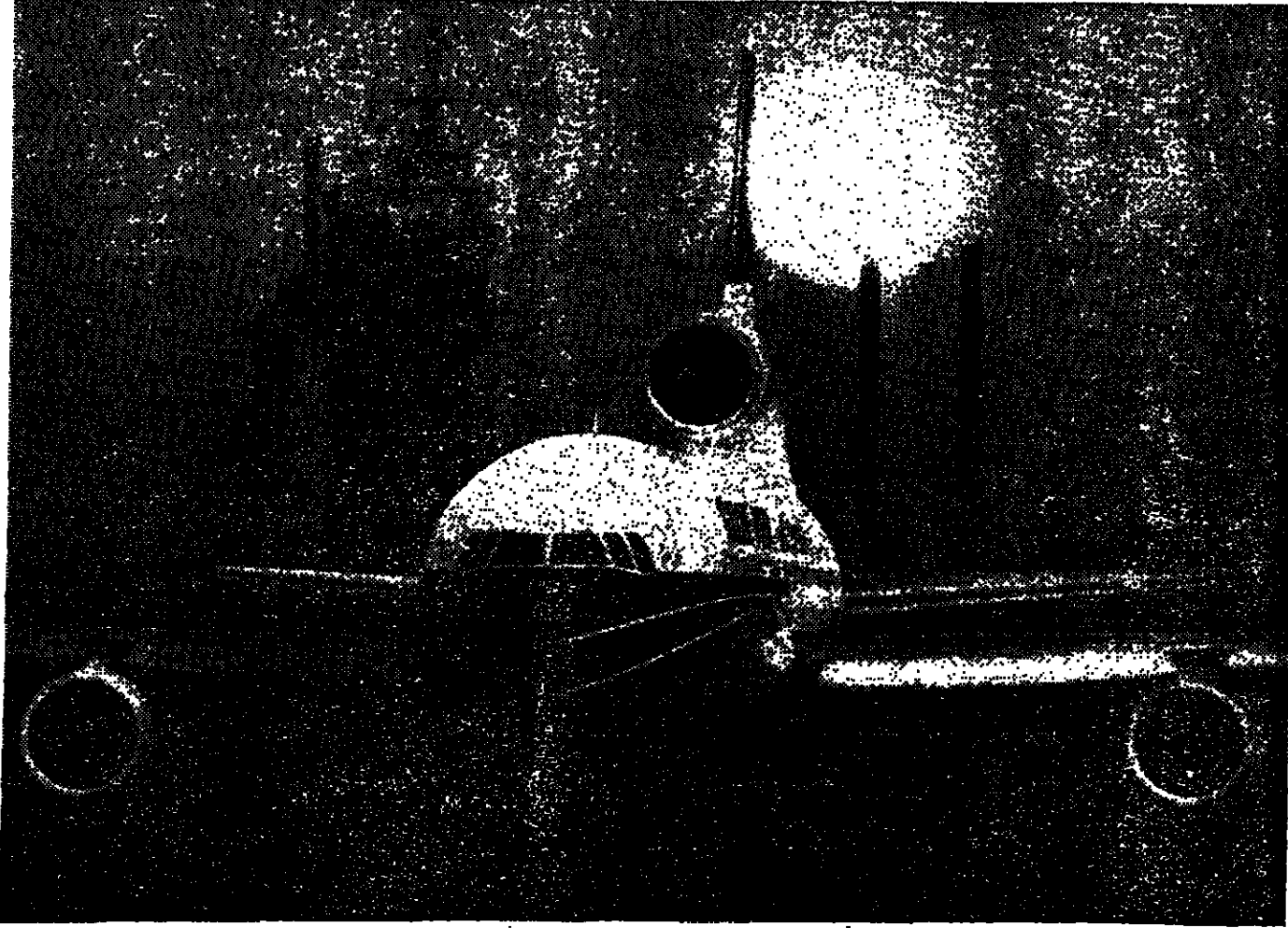
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هكنا من العالم الجديد

BUSINESS TRAVEL VII

A credit card world

IN THE U.S. American Express as a rather less abrasive approach to its credit card marketing than at home in the UK.

super, time payments end, has become considerably more confused in recent years.

literation of other cards, however, the business traveller is back to the basic four.

Access and Visa have a considerably higher range of outlets, but the cards are traditionally aimed at a lower segment of the market.

and Diners is that if you do not actually fancy a splendid meal and a fancy hotel then if those are the only cards you hold you are down to paying cash, which may be irritating on the last night in a foreign city.

Both sales systems apparently produce results so both are probably suited to their market perhaps the British need a few more nudges to tell them they are now part of the credit card society, while the Americans need brand persuasion.

As far as the business community is concerned credit card penetration at least as far as holding some form of card is concerned - must surely be nearly total.

Whereas, therefore, ten years ago one might have expected the credit card market to have narrowed slightly thanks to competition other than on a local basis the reverse is true.

A purely personal view is that the well-armed credit card wallet contains one of the entertainment cards—chosen, as mentioned, by the nature of your usage—and one of the mass-market cards.

The one great bore of the credit card life, however, is losing the things. Only a couple of weeks ago a friend lost his collection in a small village in Colorado on a Saturday.

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We put you first.

Airports and their faults

IT MAY be difficult to say with any certainty where the average business traveller would place hell, but my bet is that it would be an airport.

terms of aircraft handling, most are limited not by this problem, but simply the ability of the airport terminal itself to handle the human traffic created.

The failure of the world's airports to keep pace with changing world traffic is not, necessarily the result of a permanent bout of bad planning, although most of us might at first think so.

It is not much use saying that this might have been predicted 20 years ago. In practical terms it is difficult to see this fast moving world of invention to see five years ahead, never mind the 30 to 50 or more that is involved in the planning of future airports.

The real reason is that airport planning has gone through a series of distinct changes, changes which were forced upon the airports by what they saw at the future of aviation. Since airport siting, development and operation tends to be a long term affair the tail-off effect of the previous plan lingers on.

What is the impact of fuel shortages likely to be? Is new communications technology going to reduce the demand for physical travel, particularly business travel—if you can see and talk instantly to your contact in Rio, why spend a few thousand flying out to see him with your technical team? Will trains become so fast and efficient that air routes below 1,000 miles are unpopular?

The impact of changing traffic demands can be seen in most airports in the world. The first airports in use after the Second World War tended to have a multiplicity of runways and relatively small, central facilities—London's Heathrow is a classic example.

The position is made worse in much of the world by the fact that the overcrowding, having moved from the runways to the terminals, is now spilling out into the streets. In other words the airports are gradually overcoming the difficulty of moving people from aircraft to pavement, but there then comes the obstacle of getting them away from the airport altogether.

As aircraft become larger but it emerged that they did not need landing areas as large as their size had threatened, so the airports began to think that the problem was in finding ways of keeping it in the sky until it could land.

Unfortunately many airports have no control over this particular aspect of their activities. In London, for example, it is London Transport's job to move the bulk of the foot traffic, and the Government's job to provide roads for the cars.

Giants But, instead of the crush of aircraft that had been expected, the planners found that the jets were simply getting larger. Instead of airlines which could carry 100 people or less, here were proposals for large jets which would in fact carry 400 or more.

What is not to say that things could not be a great deal better in many of the world's airports. Europe's decision many years ago to pick a central terminal design for its airports instead of a diffused terminal system was clearly a mistake, and attempts are being made in various places including Heathrow, to put this right to a degree.

The reason therefore that many of the world's airports are desperately overcrowded is that when they were originally conceived no one ever thought it would be possible to load that number of people on so limited a runway area.

However, although lack of drive may seem to be a predominant factor in many airport administrations, it is worth remembering that often the faults lie not with the designers of today, or even yesterday, but with the planners of 40 years ago who did not realise the impact that mass prosperity, space technology and a universal eagerness to travel would have on our airports.

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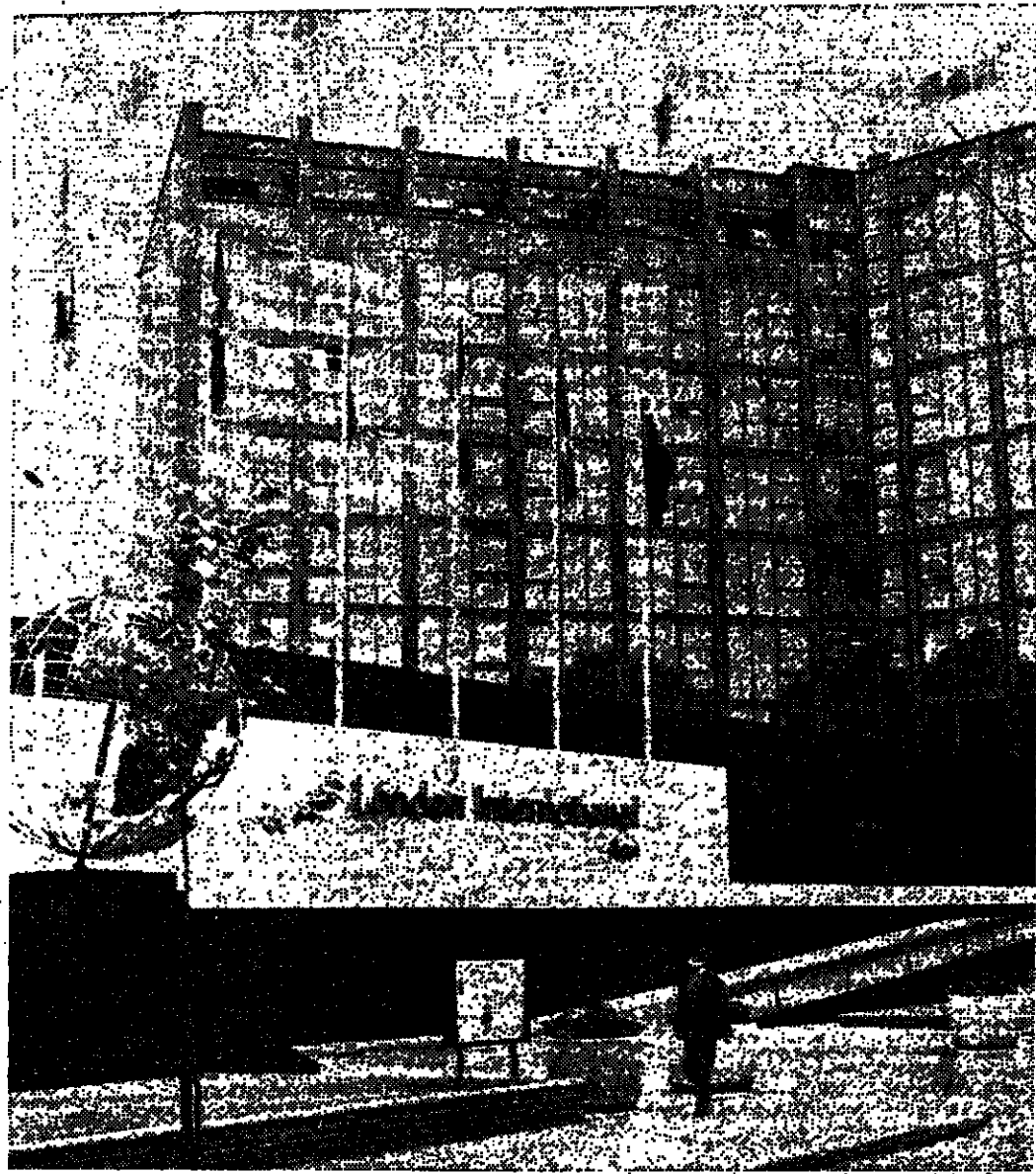
Vertical text on the left margin: P...SHEETS...MPIC...TRAVEL...WAY

BUSINESS TRAVEL VIII



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Hotel doors ever open

HOTELS somehow manage to be at one time the pleasure and bane of the constant traveller's life. They are havens of rest, and sources of irritation. They are either too full, or too empty. One visitor's delight at friendliness will offend another who will find such familiarity intrusive. One man's pleasantly active hotel will be another's noisy one.

In most areas of the world today, however, the traveller can at least luxuriate in the pleasure of choice. The frenetic growth of the hotel business in the past two decades has produced a global network of properties of an international standard. Of course, in Rodeo week in Houston or high summer in London, central hotel rooms of a certain standard may be hard to come by, but in many parts of the world—even the Middle East—hotel shortages tend to be transitional. And as the Gulf starts to become one of the over-hotelled areas of the world so New York and London are once more moving into the doubtful position of topping the shortage league again for a while.

For the hotel industry, as for so many others, the business community is the bread and

butter of its commercial life. There are considerable temptations for the hotelier in times of economic buoyancy to head for the less troublesome leisure market, but most of the bigger groups find that type of business too erratic for the long term. It is interesting to see that even throughout the sixties and early seventies building surge the bigger groups, from Trust House Forte to Hilton, from Holiday Inn to Novotel, tended to avoid any great rush into resort hotels. They were built certainly, THEF dabbled in Majorca, Hilton in Corfu and southern Spain, but a broad corporate front there was little.

City centres and provincial traffic crossing points are what have always caught the established hotelier's eye, and it is these locations which attract their attention today. But there is a great deal more to attracting business custom to a hotel than simply placing it in the right location—although this may be the single most important factor. It is for this reason that even with hotel occupancy levels in some cities being high there is still fierce competition in the bid to attract custom. There is one difference in this particular market from many others. In the hotel business above all the seller is attempting to breed customer loyalty.

There are obvious ways of doing this, of course, and not the least of them is always offering good service. The perfect hotel ticks away with such smooth efficiency the customer does not notice it. But sometimes the image-building can be egged along in other ways. The current British television campaign on the part of Trust Houses Forte is a classic example of an attempt to give potential customers a warm feeling about a particular company, and at the same time giving some encouragement to staff.

But neither THEF nor other companies leave it at that. Several of them, such as the British giant, have special executive cards which allow holders particular privileges. These are not credit cards but simply identify the holder as a regular customer allowing him to get a room when the passing trade might not, and offering the chance of a no-cost upgrading of room if there is space available.

The THEF scheme is called the Key Card and the system not only guarantees room rates for six months ahead, but also offers a retrospective rebate to the company concerned when total corporate spending is tallied at the end of the year.

Almost every hotel group of any size today has a credit card system of its own, which again is intended to encourage loyalty. However, it does have one valuable spin off as far as companies are concerned. If a company offers particular hotel/catering credit cards to its staff it stands a greater chance of separating off the spending on these cards from other expenses.

Most of the larger groups have managed to simplify reservations and check-in for the regular business customer but few, indeed none that I know of, have completely solved the problem of check-out. The best of hotels somehow manage to get a queue at the cashier's desk in the morning, if it is only to sign the credit card amount on a card run through the machine the previous night.

For many hotel groups the main drive at keeping business

is constant upgrading and updating of the properties. In many ways, some subtle and some obvious, the hotels of the world are changing. Colour television sets are increasingly the norm rather than the rarity, as are direct-dial telephones, air conditioning, an in-house swimming pool, saunas and conference centres.

Architectural improvements are making the hotels of 20 years ago, never mind 50 years ago, show their age. Anyone who has seen the architectural splendours of some of the new Hyatts will never feel quite the same about the square box full of rooms which has been the usual hotel so far.

Pressure

This constant pressure for change and improvement, the constant upgrading of demands, is what has in part led to moves by Britain's Centre Hotels, now owned by the gambling-based Coral group, to spend about as much on revamping the properties as it did only recently in buying them, over £15m, and these in most cases would be considered modern properties in the first place. An example of excellent British revamping can be seen in London's Europa hotel, on which Grand Metropolitan Hotels has just spent a considerable sum in upgrading the bar and restaurant areas on the ground floor. Gone is the late sixties style and in has come the deep carpeting, woodpanelling and modern fabrics of the present era.

Today's hotelier has to keep his eye on changing tastes as well as changing traffic in today's business world.

Clearly a major source of business traffic for many hotels is the conference market, although for most city properties this is regarded as a valuable subsidiary activity rather than a prime function. Conferences on a grand scale, while handy in the off-season, can disrupt normal business to such an extent as to be counter-productive.

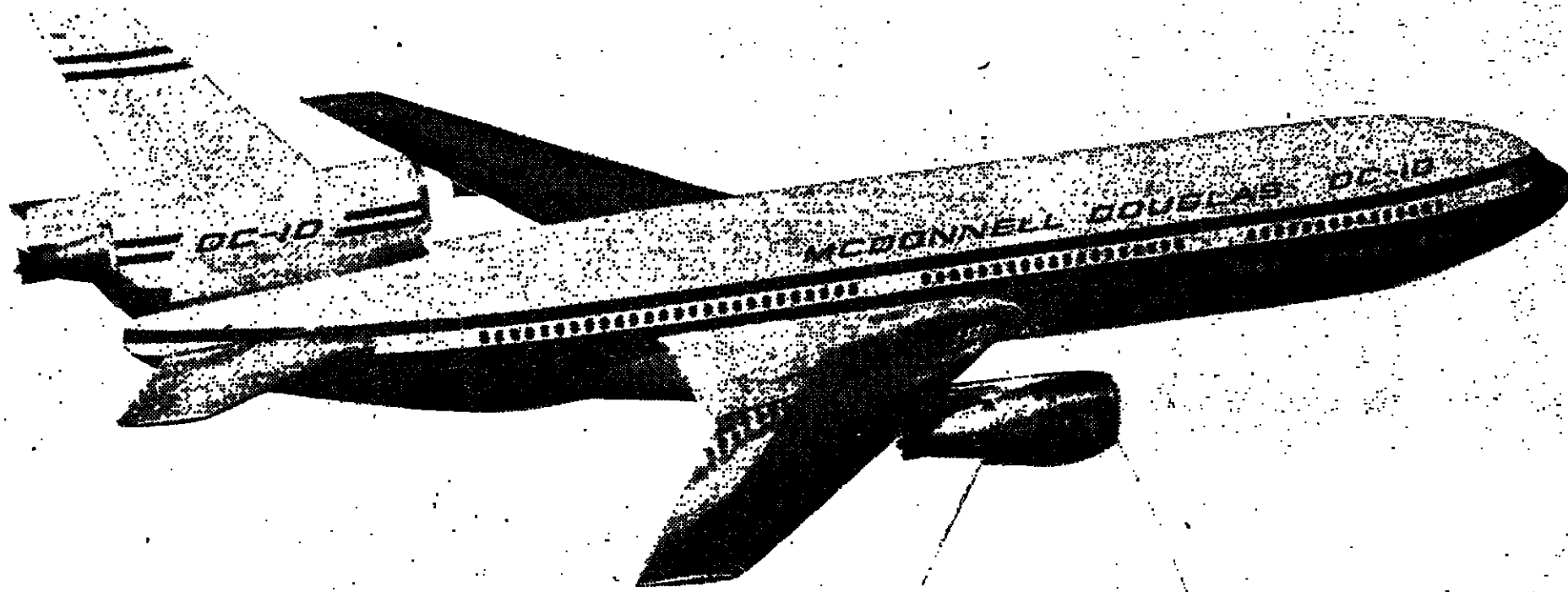
In fact, the business community rates quite highly in the conference and convention business. A recent straw poll of conference traffic suggested that among the least popular conventioners were teachers (they don't spend enough in the bars) and political parties (they generate huge quantities of litter and spoil newly-decorated rooms with taped and glued slogans and posters).

The great problem for the hotel industry at the moment, both in the conference and general accommodation sectors, is keeping control of costs. The hotel industry is very labour intensive and therefore highly sensitive to changes in labour costs.

At the same time there is in the business a large degree of price sensitivity. The London hotel market demonstrates this point. In 1975 London had too many hotels and room rates were depressed. Two years later the market had revived and hotels were able to restore their rates to levels which they felt gave them a reasonable return.

In those two years one survey of published rates showed that room tariff increases of more than 50 per cent were not unusual. This shows why it pays the regular traveller to make occasional checks on what the opposition is doing before relying too much on past experience and that loyalty which the hoteliers are so keen to encourage.

A.S.



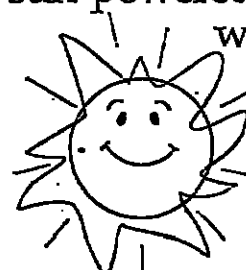
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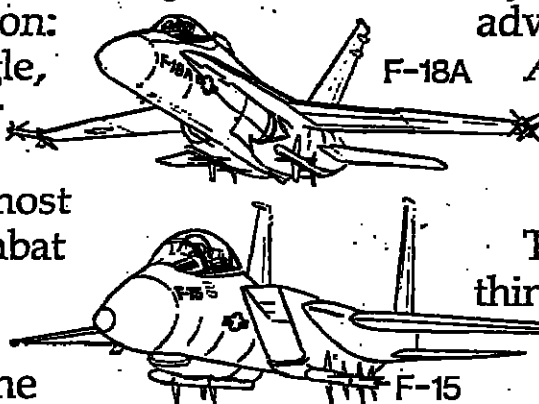
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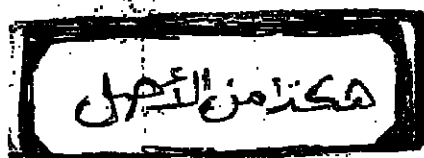
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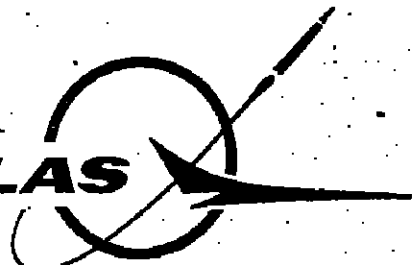
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THE ARTS

Coliseum

Manon by MAX LOPPERT

FIVE YEARS ago, the English National Opera (or Sadler's Wells Opera at the Coliseum, as it then was) gave London a new, and by Massenet-lovers eagerly awaited, production of Manon. It proved a disappointment, although later revivals did not entirely bar the command of pleasures musical and dramatic. Now the company has made a fresh start with the opera, providing a new staging in new sets, and recycling only Alex Stone's 1974 costumes (and, if I am not mistaken, a section of wooden choir-grille in St. Sulpice). The success of the second attempt is particularly gratifying for it has brought out the best in all its participants—Valerie Masterson and John Brecknock in the leading roles, conductor Charles Groves, producer John Copley, designer Henry Barton—in such a way as to bring out the best in Massenet.

ing, polishing, and the welcoming of guests is conducted with pretty naturalness. Producer and designer have conspired to find picturesque frames for the events of the opera that unfailingly catch their tone without fixing them in the postures of fancy dress; Mr. Barton seems to have drawn on Fragonard, on Greuze, on Watteau, always to happy end. For the interior scenes a draped red curtain reduces the proscenium arch to more manageable proportions; to the St. Sulpice scene it lends a theatricality that is exactly right. The crowd movements at the start of Act 3 and for much of Act 4 were not yet quite precise—the only sign that this was the first showing of an otherwise exceptionally well-prepared production.

Though Valerie Masterson made Manon one of the redeeming features of the old production in later revivals, she can seldom have sung the role as well as she did on Thursday. A certain seriousness of temperament still intrudes between us and the Manon of the early scenes; that special Gallic frankness, youthful gaiety, bubbling insouciance—call it what you will—is difficult to summon in an English-language performance. And Miss Masterson was wise not to counterfeited it. But in weight, colour, and management of voice, in charm of appearance, and in her way of commanding the stage without a particle of extraneous movement, this Manon soon becomes a portrayal to treasure. Massenet's greatest gift, Groux said, was melody; that is "lyrical, tender, penetrating, sweetly sensuous, rounded in contours, exact but never violent in interpreting the text, sentimental, often melancholy, sometimes a little vulgar, and always charming." Miss Masterson sings "N'est-ce plus ma main?" as if she had Groux's words in both heart and head. I have never liked John Brecknock so well as in this ardent account of a tenor, sometimes fated (unlike his opposite number in Puccini's *Prévu* opera) to seem under-characterised by his authors. The voice seems to have gained maturity in bold, cogent, stylishly mixing 18th-century politesse and 19th-century romantic sentiment (in an evening notable for clear words, this was the clearest). Niall Murray's youthful Lescart is promising, though still too square-cut of word and vocal line. The couple of roles are also younger than usual, and played by Stuart Kale and Patrick Wheatley with welcome avoidance of pantomime-damery; they have this in common with the trio of actresses (Penelope Thorn, Lynn Barber, Sally Present), whose participation in the "Chantier, almer" ensemble of Act 4 provides one of the production's few ineffective moments. Richard Van Allan's Des Grieux pere, though the voice does not sound out as nobly as Clifford Grant's used to, is splendidly carried.

Manon also wins from Sir Charles what seems to me his most theatrical conducting at the Coliseum so far. The first sentences of the prelude were too boisterously stated, with an obtrusion of percussion. Soon, the orchestral balance came right, and soon after that the moulding of phrases, the clear-headed affection for the musical paragraphs that allows no sagging and no alien drooping; the St. Sulpice scene, in its series of solos leading to a long duet, was particularly admirable for the vividness of an accompaniment that both followed and stated the dramatic line. The work is lightly cut in a way that will give offence only to the most exacting of Massenet purists. It would have been nice, though, to have an even longer ballet in the Cours la Reine; the choreographer Pauline Grant and her dancers have clearly—and to good effect—been learning the lessons of 18th-century dance style taught us by the English Bach Festival.



Valerie Masterson and John Brecknock

Parkin/Piccadilly

Whistler's world by DAVID PIPER

A remarkable profusion of portraits of Whistler can be seen at the Parkin Gallery in Motcomb Street (till May 13), and indeed the aggressive brilliance of the artist's legendary public persona does tend to distract the eye from the delicacies of his actual work. The exhibition is titled "The Mark of Whistler," and is concerned primarily with the impact of his style, and especially that of his pupils and the ensuing generation of portrait-makers in the great etching boom in England in the early years of this century. That was followed by an even more vertiginous slump in the fashion for black-and-white, and it is only really in the past decade or so that interest has revived. Those who bought in the Fifties and early Sixties, sometimes for a few shillings a print, may now count their lucky stars or preen themselves in satisfaction at their own cleverness. Even so, there are more than a handful of extremely covetable prints here at prices below a hundred pounds.

Whistler himself, apart from portraits of him, is represented more by lithographs of his late period than by the earlier etchings, but the inimitable touch is there, whether in the tremulous scratch of the etching needle or the sureness of the total control by soft degrees of shading by the litho chalk, adumbrating the allure of feminine fashions, a winged hat, or suede gloves. So is the sense of balance, that masterly counterpoise of blank paper asymmetrical against the drawn image, that owes no doubt much to Japanese example but that Whistler exploited with such heady precision. A late lithograph, "The Tyrocinth, of 1890, is a brilliantly spare abstraction (in the true sense of the word) from a very actual scene, catching its essence in terms of a single pure circle (the tyre) against a perspective of diminishing rectangles. What can or ought the public to care what a picture represents, said Whistler, ferocious as usual. He could allow himself legitimately an interest in his subject matter, but suggested that anyone else's concern about the subject, rather than the formal qualities, was not merely impertinent, but almost immoral. That remark was a prop of the famous *Portrait of the Artist's Mother*, for which Whistler preferred as title: *Arrangement No. 1 in Black and Grey*. That heralds much to come in 20th century art,

though the portrait itself ironically became one of the most popular, cooed-over, emulated. Sickert here can be suspected, as likeness vividly faithful. It is represented here by Josey's mezzotint of it, approved by Whistler himself as Josey's print after the painting of Carlyle. That is in half a dozen or so studies of the Whistler phiz, observed with affectionate but unfatiguing realism as the face of the time dandy carpsens into the battered, bruised-looking an apparently body facade of Whistler's age. Menpes was on the most loyal of acolytes, only to be discarded like the rest of them with acrimonious scorn. Seymour Haden (who was also Whistler's brother-in-law) made his exit from favour finally through a plate glass window. The Frenchman, Theodore Rousseau, really knew his place, removing his hat whenever in the Presence. He was rewarded by one of the famous aphorisms: "At last I have found a follower worthy of the Master." He too has been largely forgotten but ten of the most striking likenesses here are his two stage portraits in the creation of a bona fide *Chichest's Show* at St. Leonard's on Sea in 1899. First, the shop striver and bleak, almost solo of the white paper, costing a shadow on nothing as dense as a dress; it has an unimpaired loneliness as if about to become a de Chirico. Then, suddenly, in the final state, it is clad with the context of a British ex-Leonard's, but set against the sea, two figures leaning over the railings of the promenade confront infancy. Very spooky.

At the Piccadilly Gallery in Cork Street, there are still a few days (till April 21) to catch the Eric Gill show. Principally drawings, but here the mark of Whistler is not. All Gill's work is expressed in terms of the bounding contour line, which he handles with a keen clarity proper for a sculptor, almost incising it into the paper. The subject matter includes religion and at times religiosity (Gill was a devout, often aggressively independent minded Catholic convert), nudes, a highly formalised nature, stripped to an oddly chaste sexuality; and, most remarkably in this selection, portraits. I suspect he was always best in them (and that he didn't do enough of them), simply because of the tension produced by the necessity to keep to a likeness, to the irreducible fact of a quirky, unique human individuality in his subject. Without that restraint his line could lose its urgency and, applied for its own sake, produce images that verge perilously on the rapid. As it is, in front of some of the very fine, decisive, profile portraits in this show, the names of either Holbein or Benci may come not inconspicuously to mind.



signed on the plate not only directly with his master, when his lesser stature becomes obvious. W. W. Burgess is honest prose, dependant for his attractiveness mostly on bygone Chelsea, of which the whole exhibition is a poignant memorial. E. M. Spang, still largely forgotten, performed variations on Whistler with more than a hint of the master's true spirit as well as of his technique. That still under-rated Australian, Mortimer Menpes, strongly represented, not least

the Chung family played Beethoven's Triple Concerto in Sunday's Royal Philharmonic Orchestra. Beethoven concert. The promise that this would be one of those rare performances of the concerto, to solve its numerous problems, was not wholly kept. Balance, of course, lies to the fore of those problems, and it cannot be said that the conductor, Walter Waller, had discovered the secret of making the orchestral contribution prominent without obscuring the cello's lower ranges. In addition, vagaries of intonation persistently affected Mwang-Wha's cello, and Krung-Wha's violin. In the Rondo, the pianist Mwang-Whun, began to play but less self-effectively, but by that stage the tentative atmosphere was hard to pierce, and the music reached its close, sounding sparse and uncomfortable rather than continuously inspired.

Mr. Weller is the orchestra's conductor-elect. The Egmont Overture and later the Fifth Symphony showed why: he encourages and achieves a full-bodied, solid quality of sound not always associated with his RPO in recent years. As a Beethoven interpreter Mr. Weller seems to incline away from the fiery, urgent or monumental views of the composer. Important features of rhythm tend to be passed over rather lightly; weight of sonority remains a constant feature rather than being reserved for moments of dramatic emphasis. Anyone in Sunday's large audience coming to the overture and symphony for the first time would have gained a very decent impression of both; for others the performances had perhaps less to offer in terms of originality or fresh insight.

Last time around, doubts were raised as to whether Manon should be considered the composer's masterpiece. Mr. Copley's production should settle most of them. The Coliseum remains a theatre too large for the opera, and ought not to be the testing-ground for any such proposition. Yet it is a mark of the quality of Thursday's performance that for almost all of its length the work appeared to fill the house. One noticed anew innumerable felicities, of construction, of atmosphere, of creation, of melody. How beautifully, in Act 2, Massenet balances two sentimental reveries, Manon's in G minor and Des Grieux's in D. How cunning it was of him to wait until the fourth act, and the *Hôtel de Transylvanie*, before borrowing fully from the Italianate model of *Le triavata*. Musically and dramatically, the performance reminded us, as it should but might not have, that Massenet made a little go a long way—so long as to approach greatness.

Manon is the kind of opera with which Mr. Copley might be expected to succeed, calling as it does for a close and sympathetic direction of a couple of young lovers for elegance of style in comedy and intimacy in romance; for lightness of touch and deft mobilisation of forces. The production displays all these virtues, and marries them without exaggeration of any. The opening scenes, which do so easily fall into a mood of marking-time for Manon, are cleverly unfolded, in a village inn where the business of peeling

Liverpool Everyman

Doctor Jekyll of Rodney Street

by MICHAEL COVENEY

Even if historians may be a bit hazy as to what exactly young Adolf Hitler was up to in 1912, Bill Morrison's Jekyll and Hyde show presents him wandering through Maggie May territory in search of a bit of fun while a Freud-quoting Dr. Jekyll tampers with potions in the search of self-liberation and the doleful community finds itself under fire from the brandy-swilling upper crust.

As a piece of writing, this indulgent caper is almost unrecognisable as coming from the author of *Flying Blind*, one of the best farces of recent years, but it does have a life and, in Mel Smith's spirited direction, a swagger compatible with the *Everyman* house-style. The tight-lipped doctor, transformed

by regular inhalations of bubbly green medicine, enters the underworld of the boozy music hall through his liaison with one of its chorus girls, Alice. The music hall is dying. After a series of fleshly encounters, it is suggested to Alice, whom Victoria Hardcastle plays in a performance of unparalleled and frequently nude relaxation, that she should move with the times and strip off. To which she replies, in the play's funniest line, "I'm not taking my clothes off onstage for anyone!"

Dr. Jekyll, dashing played by Jack Kilar, moves between the contrasting worlds of male-dominated clubland and anarchic low life, the theatre belches forth dry ice and shakes to the accompaniment of foghorns, atmospheric percus-

sion and psychedelic lighting. Perhaps too much is too simply attempted: is this burz with working-class decadence really sending Adolf back to start on his wicked way? And is not the portrayal of revolutionary fervour a little too cosily documented as a side issue in the decline of popular entertainment?

Historically, the piece may be of dubious merit, but it provides a boisterous night out nonetheless, and there are rich acting contributions from Edward Clayton as a transvestite comic, Chris Darwin as a pint-sized barman, and Cecily Hobbs as Jekyll's mother-in-law. All he desperately wants to demolish in his dangerous excursion into psychiatric medicine.

Half Moon

Accidental Death of an Anarchist

by MICHAEL COVENEY

It must be with something akin to a mixture of relief and envy that a Left-wing touring group like Belt and Braces turns to a brilliantly engineered farce such as this by Dario Fo, the Italian mime and writer, who runs a theatrical commune in Milan. It was the Half Moon, two years ago, who introduced British audiences to this astonishing playwright, with his surreal blend of comedy dell'arte-derived physical antics and uncompromising anarchic individualism.

As vitriolic a critic of the Catholic Church as of the Italian Communist Party, Fo's starting point this time is the actual case of an anarchist railway worker who "fell" from the fourth quarters. At the inquiry, police statements contradicted each

other with hilarious regularity until the case was closed, cause of death unknown. What Fo does is to place in the headquarters "a certified psychotic" who disguises himself as an examining magistrate and plays off the statements of the police against each other in a series of violently animated re-enactments of what might have happened.

The part of the maniac calls for a performance of sustained physical intensity, mental agility and devastating charm. Alfred Molina supplies all three characteristics in abundance, overloading all with a sumptuous glee for role-playing that drives the show along at a breathtaking pace. At one point, he "double-disguises" as a one-eyed, one-legged forensic expert from Rome, complete with

stethoscope and war medals in order to both further conceal his identity and propel a resolution to a discussion of the bomb's properties.

What motivates the maniac's investigations is, as is ultimately revealed, his own burning distillation with every political faction in sight, and he ends the evening with a somewhat carefree and, in terms of the English production, irrelevant dissertation on the ills of Italian society. But even that cannot dampen the memory of such glorious sights as the police officers picking up guillotine for role-playing that drives the show along at a breathtaking pace. At one point, he "double-disguises" as a one-eyed, one-legged forensic expert from Rome, complete with

Festival Hall

Triple Concerto

by MAX LOPPERT

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SOCCER BY TREVOR BAILEY

Liverpool are magnificent

ALTHOUGH the Soccer season has rather more matches still to play than usual after Easter, because of the bad winter, many of the main issues, if not certainties, are now strong probabilities.

After their impressive, almost majestic, 2-0 defeat of Manchester United—who had knocked them out of the FA Cup semi-finals to end Merseyside's dream of the double—Liverpool are surely destined to capture their fourth title in six years, a magnificent performance. Nobody can question their right to the championship. They are simply the most accomplished and consistent team in the country with a talent for scoring goals, yet have conceded fewer than anybody else, and possess the strongest reserve cover.

The two closest contenders are West Bromwich Albion and Nottingham Forest. The former are not only the most improved team in the First Division, but also one of the most exhilarating, so that one would like to see their efforts rewarded by some tangible honour. They should do it next year.

Although Forest lost their way against Cologne last Wednesday and are now unlikely to win the European Cup, they already hold the League Cup, which means that they will have the opportunity to solve the problems of European football again. Like WBA, their reserve cover is rather thin, but in the adaptable Ian Bowyer they have the finest all-purpose player in the land.

Doomed
At the other end Chelsea are doomed, along with one suspects, Birmingham and QPR, though Derby County have slumped alarmingly so that Tommy Docherty could well be taking them back to the Second Division from which Brian Clough raised them back in 1968-69.

If Birmingham are relegated I would expect them to bounce back immediately, but Chelsea will probably have to spend some of that money needed to reduce their enormous overdraft, while Rangers, unless they make an immediate impact, will be confronted with how to pay First Division salaries in the Second Division from gates, both home and away, bound to be greatly reduced.

fanatical support at Roker Park. They are the least colourful of the challengers—a busy workmanlike outfit with heart and determination camouflaging a shortage of genuine class. Certainly, on this season's performances, they do not look to be a side likely to make an immediate impact in the First Division but then, who outside of Nottingham thought that Forest could achieve what they have done?

Outstanding
Of the other three clubs, I fancy Stoke. Their manager, Alan Durban, is to be congratulated on the way he has with limited resources built his team, cleverly combining youth and adventure up front with an experienced defence.

Under Terry Venables, surely destined to become an outstanding manager, Crystal Palace would have been assured of promotion by now if they had been able to make more

of their chances. It is almost as if the players have not yet sufficient belief in themselves and need a little more arrogance near goal.

West Ham, with games in hand, can still do it, and would almost certainly already be there if they had not been so unlucky with injuries to key players. On the other hand the Hammers, apart from Parkes in goal, are no better than when they were relegated last year. This suggests that the Second Division, which has provided such an exciting championship race, contains an exceptionally high number of competent teams, without outstanding ones.

GOLF BY BEN WRIGHT

Fuzzy is Masters' champion

FUZZY ZOELLER, in spite of the in-built aggravation of his name, is a likeable, modest and thoroughly acceptable new U.S. Masters champion.

After beating Tom Watson, and the five-stroke overnight leader, Ed Sneed, at the second hole of a sudden-death play-off at the Augusta National Golf Club, Zoeller was still able to say, and apparently mean: "I'm not the greatest striker of a golf ball, so I just try to do the best I can with what I've got."

The new champion used to be even longer, but he has throttled down in the interests of, as he says, "Anding more of my golf balls."

He adds: "I was finding only about one in three and the game was getting expensive. I was always in some adjoining pasture."

Zoeller will be coming over to Royal Lytham St. Anne's to play the Open and he should prove a valuable acquisition to the championship. He has an affable disposition and, like Lee Trevino, chats throughout a round.

"If at any time anyone says anything to me," he says, "then I try to answer them." That may not be remarkable in most walks of life, but in golf, where everything stands or falls on the quality of your concentration, it is a rare sight and sound.

As a result he has a popular image both with public and Press, and his description of his second shot to the first play-off hole, the 10th, perhaps showed

iron, wondering where in hell the ball's going this time, that's not a pretty sight. The three players all got par fours at the 10th but Zoeller hit a superb second shot into the 11th and holed his 6 ft putt for the championship.

His financial problems, then, were minimal even before winning the \$50,000 that goes with the championship. Not to mention the invisible earnings that go with such a title, and which could add up to around a million dollars.

MUCH COMPANY OF YEARS TRAVEL

Financial Times plans survey on Indonesia

A SURVEY on the economy of Indonesia is to be published in the Financial Times on July 30. It will examine the details of the recently released Third Five Year Plan (known as Repelita III) in the context of the achievements and failings of the previous two plans, changed economic circumstances, the problems of a dual economy and the social strains of urban growth.

FINANCIAL TIMES

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Tuesday April 17 1979

Confidence in W. Germany

THE PAST few weeks have seen a series of consistently optimistic pronouncements about the prospects for the West German economy in 1979.

Bad weather

The official forecast of 4 per cent real growth in gross national product this year has been greeted with much less cynicism than similar forecasts over the past two years.

A high level of business confidence was independently confirmed by the latest IFO survey, which, at the end of last month, showed manufacturing companies taking an optimistic view of the coming months.

There is a widespread feeling that the country is rapidly getting the better of the initial shock caused by the Iranian crisis.

Truth in taxation

THE election debate on taxation has been launched only with very vague and general statements in the Party manifestos.

Real values

This gap in the argument was ment of tax philosophy.

Mr. Healey's most important statement was that in his personal view, the revenue from a wealth tax should be used, in part at any rate, to reduce the higher rates of income tax.

Marginal rates

All the same, an annual tax on capital might do far less economic damage than the absurd marginal rates of tax which apply to high incomes at present.

in, despite a faster increase in the working population. The social and political consequences of rising youth unemployment during the school-leaving bulge of the next few years has long been a matter of serious concern to the German authorities.

But if the immediate future looks serene, it would be wrong to be too sanguine about the medium-term. The full impact of rising oil prices on the domestic German economy, and on those of the countries that are its major markets, is still far from certain.

German concern about the inflationary consequences of EMS membership has not vanished during the short period in which the system has been in operation.

Vulnerable

Nobody would deny that the world is entering a new period of uncertainty in which major energy importers in particular will be vulnerable.

UGANDA is slowly waking from a nightmare which has lasted for most of the eight years during which President Idi Amin has been in power.

The recognition of the new administration by Britain and a number of African countries should prove an important psychological help.

The Government does have in its favour the support of a people whose joy at the overthrow of Amin was undisguised.

Now that the threat of Amin has passed Ugandans have celebrated by looting everything that can be moved from the shops, offices and houses that they say belonged to Amin's henchmen.

because the Tanzanians are too busy fighting, and the Ugandan bureaucracy, once one of the best in Africa, has been debilitated by Amin's purges.

A serious food shortage would provide the first big test of the new Government's popularity.

Political instability also proved disastrous for the economy. Unable to repatriate profits or to guarantee supplies, many foreign companies ceased to operate in Uganda or kept only a foothold in the market.

Under Amin tribal issues became less important at a time of united opposition to his rule.

Most constant of his physical problems was overweight. It was mentioned by most of the doctors who examined him.

culties are those created under Amin's rule. The profitable sectors of the economy were milked to keep the army loyal, the rest suffered from wanton neglect.

One of the most damaging blows which Amin aimed at the economy was the expulsion of the Asians who had formed the backbone of the retail trade.

Political instability also proved disastrous for the economy. Unable to repatriate profits or to guarantee supplies, many foreign companies ceased to operate in Uganda or kept only a foothold in the market.

But although the immediate future looks bleak, the new Government is hopeful of an economic recovery in the medium term.

Coffee production in 1978-79 is officially put at 156,000 tonnes.

Though it is hard to track a figure for this year's crop, experts say it will be down to around 100,000 tonnes because of general neglect, shortage of essential inputs, a lack of incentive for the growers, and a generally poor season.

The other important export commodities, cotton and copper, will take longer to restore to their previous levels of output.

No repairs to the economy can be carried out unless the political stability and security of Uganda can be guaranteed, and for that the new Government has to count on the continued support of the Tanzanian army.

Ideally for the new administration the Tanzanian army would stay as long as necessary which at the moment would seem to be for a long time.

But Tanzania does not have a free hand. The presence of its troops on Ugandan soil is particularly resented by Kenya.

So far the impact of the war will not have been great on the Tanzanian general public because the shops were already relatively well stocked.



Idi Amin: whereabouts unknown

between the three former members, but Kenya is still smarting under the Tanzanian refusal to reopen their joint border.

President Julius Nyerere of Tanzania has said all along that he has no territorial claims on Uganda and that he has no wish to install a puppet Government in Kampala.

It is in Tanzania's best interests to pull its army out of Uganda as soon as possible. But the danger is that it may be obliged to do so for domestic reasons before the toddler administration it has installed in Kampala has had time to learn to walk on its own.

MEN AND MATTERS

The widow a general fears

Begum Nusrat Bhutto could do the political mantle of her executed husband—if Pakistan's military government ever give her the freedom to do so.

But for the moment, Begum Bhutto is in no position to make a move. President Zia is keeping her under tight security at Sihal Camp, 15 miles from the garrison town of Rawalpindi.

The government may be preparing a case against both women, possibly based upon documents allegedly found in the Bhutto homes the day before he was hanged.

The very severity with which she is being treated is regarded in Islamabad as a symptom of the fear with which Zia regards her as a likely focus of opposition.

Vote hope

The quarterly journal of the Business Graduates Association comes out this week with an editorial urging proportional representation—an idea which it says is supported by people as diverse as Lord Armstrong, Sir Arnold Weinstock and Diana Rigg.

certainly was a "fair majority" for electoral reform. Does this mean that the CBI supports the Liberals in this scheme?

The macabre paperhose in Kampala is proving that the sparse reports which came out during Amin's dictatorship only hinted at his worst barbarities.

Most constant of his physical problems was overweight. It was mentioned by most of the doctors who examined him.

Once the unchallenged playboy of the eastern world, then leader of Cambodia's government in exile, before being made the virtual prisoner of the Khmer Rouge, the prince seemed for the moment intent upon blotting out all thoughts of recent miseries in Phnom Penh.

Sihanouk sang "C'est Si Bon" three times. Between items he made the rounds of the tables, embracing ambassadors and dancing with their wives.

Some of the guests were difficult at first, never having had such an experience in Peking. But a string of rumbas, tangos and cha-cha-chas induced a festive mood.

Princely crooner It had been the talk of Peking for a week: the grand ball to be given by Prince Norodom Sihanouk to celebrate the Cambodian (Kampuchean) New Year.



"Cher up, old man—being back at your desk isn't that different from sitting behind the wheel on the motorway?"

Princess Monique was heard to say that this was her first dance in ten years. After the ball, Peking is now wondering whether Sihanouk—who seems likely to remain in China indefinitely—will become the pacemaker of an active social set.

California's wine-growers have just been thrown an unexpected bouquet (albeit a somewhat thorny one) from the direction of the European Parliament.

Reaching back into the mists of time it cites the case brought in 1910 by the ancient Rheims house of Veuve Clicquot against "an American swindler who was making champagne under the same name, having appointed president of his company an American widow called Clicquot."

Turkish delight A reader sends this excerpt from an article in the house journal of a Southampton firm: "The food in Istanbul was wonderful and the view from our hotel room window was superb, but my wife fought shy of sunbathing after being bitten all over by midge."

festive mood. At midnight the champagne was brought out again and the meal—which had begun with dream cakes—ended with soup.

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Sour grapes

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Observer Quality in an... The exception that could prove to be your rule.

Advertisement for Famous Grouse Scotch Whisky. The text reads: 'The exception that could prove to be your rule.' It features an image of a bottle of Famous Grouse Scotch Whisky and a glass of whisky. The bottle label says 'THE FAMOUS GROUSE', 'FINEST SCOTCH WHISKY', 'Blended & Bottled by Matthew Glog & Son Ltd., Perth, Scotland'.

A troubled ride into the future

LIKE THE rest of us, British Rail has had a long, hard winter. It was not really reflected in the 1978 figures published during last week, but since January a number of things have happened to disturb the relative calm of the last 2½ years.

First came the unofficial local and then the national official strikes, which together cost the railway £13.5m. Matters were made worse by bad weather, which did further harm to the always precarious marketing image of British Rail.

Then came the announcement, also in February, that the Government was tightening up cash limits in the public sector in an effort to reconstitute its crumpled 5 per cent pay guideline. Railway financial executives concluded that the assumptions on which their 1979 budget had been based when it was drawn up in November had vanished. A £15m reduction in Government grant was provisionally estimated to be the consequence of the statement. That caused rumbles last month from British Rail headquarters about the need for an autumn fares increase of around 10 per cent. In November, the intention had been to make do with one increase of 9 per cent on average, imposed in January.

Nor was it coincidence that around the same time, the railway trade unions were given an outline of British Rail's latest plan to close down loss-making provincial rail services, substituting buses for some of them.

The corporation was suffering from financial nerves. The political response was predictable. Mr. William Rodgers, Transport Secretary, with one foot already on the hotting, said he was not prepared to talk rail closures and that he knew nothing about fares rises in the autumn.

More usefully, from British Rail's viewpoint, the Treasury relented from what appeared to

be its position on cash limits. Mr. Denis Healey's care and maintenance budget quietly modified the threat which could have cost the railway £16m.

The railway board had meanwhile gritted its teeth about the losses caused by strikes and pruned some minor capital projects to make good the deficit. A case then of much ado about very little if not quite nothing? This appeared to be the view of the Department of Transport, which has taken a decidedly cool view of the latest round of agitation from the railway, underscoring, as it always is, by demands for a big increase in spending.

Sir Peter Parker, who succeeded Sir Richard Marsh as British Rail's chairman 2½ years ago, said in his annual report that the Government would have to authorise an extra 30 per cent on the capital spending account in the 1980s just to allow British Rail to replace worn-out assets. Sir Peter and his board members were worried. His biggest anxiety as he presented his annual report last Wednesday was the outcome of pay talks due to start in earnest the following day. These negotiations are, in many respects, the most important in the recent history of British Rail and certainly the most important since Sir Peter succeeded Sir Richard.

Their significance is only partially explained by British Rail's acute need to keep under control its labour costs, which account for over 60 per cent of expenditure. In the last two

years, that control has been achieved by the external pressures of Government pay guidelines and this fact goes most of the way towards explaining British Rail's new-found financial stability and reduced dependence on grants under Sir Peter.

Of even deeper concern to British Rail is the need in the present round of pay talks to make some real progress towards a genuine productivity improvement scheme, in an overdue effort to shed manpower, especially in the freight business, and to achieve a new spirit of flexibility from the workforce.

The third essential component of the talks—and the most important from the consumer's point of view—is the implication for fares. British Rail prepared its 1979 budget on the assumption that there would be a 5 per cent increase in its wages bill. Anything on top of that seems very likely to emerge in the form of a fare increase this autumn.

An added complication in the talks is the recent award by Lord McCarry's Railway Staff National Tribunal of a 5 per cent bonus to most ASLEF members, following a similar award to NUR paytrain guards last year. Railway management feared that by offering 5 per cent outside the context of productivity bargaining, the tribunal had kicked the chair from under its negotiating position.

They entered the negotiations

determined to ensure that ASLEF received this five per cent only in return for productivity concessions, notably to accept single-manning of the new generation of class 56 freight locomotives.

It appears that the first round of talks went well, their atmosphere greatly helped by the desire of the NUR to express its outstanding loyalty to the Labour Government by not proving an embarrassment during the election campaign. Negotiations are now revolving around a five per cent basic award plus seven per cent for productivity, but it will not be clear until later this week how significant is the commitment to productivity.

During Sir Peter's chairmanship, the board has retreated from the Marsh targets of shedding 8,000 jobs a year for the five years up to 1982 on the grounds that such targets only cause trouble. In 1977, 4,000 jobs went, but last year the payroll was stable.

The NUR argues, with some justification, that the railway is in fact seriously understaffed in some areas. In Southern Region for example, 15 per cent of guards' jobs are unfilled and the shortage of cleaners is even greater. This reflects an unwillingness to work unsocial hours, but also the other side of the pay stability coin: railway pay has become uncompetitive.

But elsewhere the over-manning and indeed excess of facilities is a major problem. Freight, for example, has fallen by two-thirds in the last ten years, but there has been little reduction in the number of marshalling yards or associated jobs. BR wants to get rid of 40 of its 198 yards by 1983 and to streamline many others. Likewise, 25 per cent of all trains still have no drivers and many pilots, including all the new class-56 generation of freight locomotives. BR accepts the case for some double man-

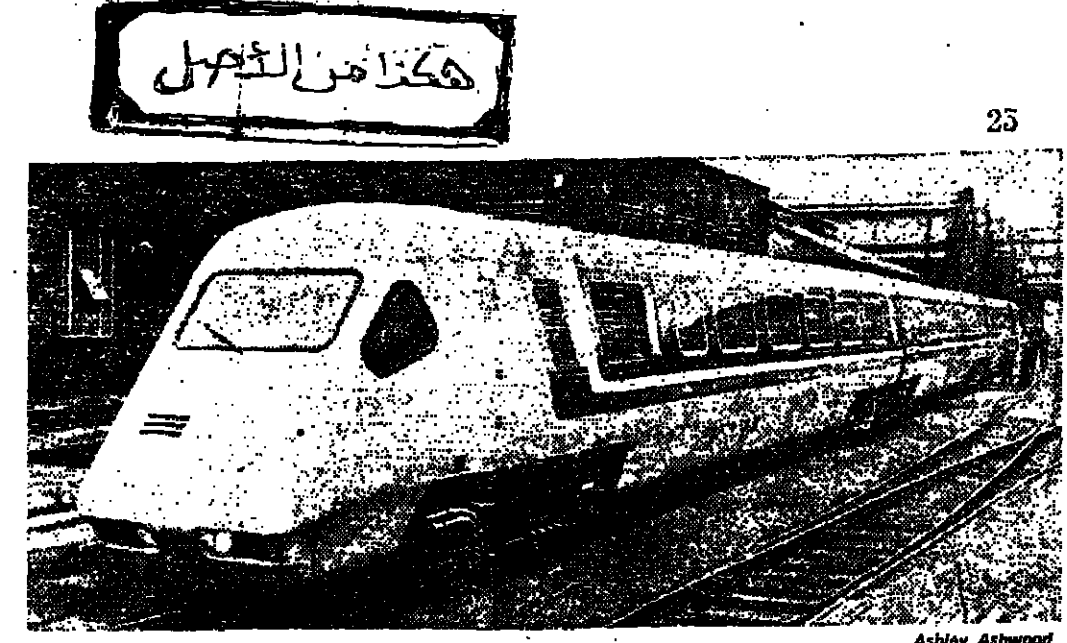
ning for training purposes but rejects the safety in numbers argument. It says its own research shows drivers are more likely to miss signals when they have a companion than when they are alone.

Small wonder, therefore, that the productivity indicators produced for the first time by BR in its latest annual report show only very small gains. Nor do these indicators necessarily tell the full story, because most of the gain in freight productivity is due to higher capacity wagons, greater automation and BR's highly successful realtime computer control system, which has enabled the wagon fleet to be reduced by 38 per cent inside four years with only a 2 per cent fall in traffic.

Overmanning

Overmanning is, of course, only one part of the industrial relations problem. Persistent inflexibility on the part of some groups of workers, notably but not only the drivers, has delayed significant new projects, such as the commissioning of the 150 mph advanced passenger train (APT). Labour troubles at the railway workshops have also caused British Rail to underinvest its capital budget for several years at a time when it is complaining about the inadequacy of its capital ceiling.

Without better productivity, British Rail faces two possible futures: either it keeps static (in real terms) expenditure and fares while the pay of railwaymen continues to decline relative to other groups of workers; or, the unions succeed in pushing up wages beyond the level of general inflation, and the customer pays in the form of higher fares unless Government is prepared to increase the level of subsidy. There is no sign that either political party would favour such a course.



The 150 mph Advanced Passenger Train—slowed by industrial relations problems

yearly fare increases of 1975-76 could, railway executives fear, take British Rail straight back to the disastrous performance of that period when it put up fares by 62.5 per cent in 20 months and lost 4 per cent in passenger volume. That decline damaged morale in British Rail and had much to do with the lack of confidence expressed about railways in the Transport Consultative Document published in 1976 by Mr. Anthony Crossland, then Secretary of the Environment. The approach of that paper was based on the assumption that British Rail was catering for an ever smaller section of the population and that this should be taken into account in giving it money.

Although the Transport White Paper published in June, 1977, proposed a cut of £20m in BR's passenger subsidy (the first £10m of which is taking effect this year) and maintained a frozen investment ceiling, its tone was much more encouraging.

This has given British Rail under the extrovert and public relations conscious leadership of Sir Peter the opportunity to develop its confidence, its marketing objectives, and its financial stability.

Inter-city traffic has grown by 8 per cent in the last two years and the problem services in London and South East England have successfully fought for off-peak business to offset losses caused by demographic changes. The freight business broke even last year, having

lost £66m three years earlier. In real terms, the level of passenger subsidy has fallen from 1.72p per passenger mile in 1975 to 1.45p per passenger mile last year, when BR received £436.5m from local and central government.

Changes in the quality of service are harder to assess. There is no doubt that the introduction of the 125 mph high speed diesel service on the London-South Wales run and more recently on the East Coast has brought big improvements and big (over 40 per cent in two years) increases in passenger volume. On the other hand, BR cannot afford to renew rolling stock from the 1950s on computer services and a refurbishing programme to extend vehicle life to 40 years is a poor second best.

Functionality matters even more. Last year, British Rail tells us, 91 per cent of all trains arrived within five minutes of advertised time. That is of little comfort to the travellers on the recently modernised Great Northern electric network, where half the trains were more than five minutes late because of technical and staff shortage problems.

Performance is equally uneven in the freight business. Wagon utilisation varies from the four journeys per day completed by merry-go-round coal wagons to the one journey per fortnight of some older steel wagons.

This is the slackness which British Rail needs urgently to get out of its system, not only for its present financial health but also to convince the Government and the public that it is worth investing in the railway's future. Two major capital schemes are currently before the Government, the scaled-down rail-only Channel Tunnel plan, and a three-option proposal for electrification of more main-line routes.

In broad terms, the omens for British Rail are good. Rising fuel costs will increasingly weaken competition from the private car. In the case of freight, tighter EEC regulations on lorry drivers' hours are starting to shift the odds in favour of rail at a time when road hauliers have almost fully absorbed the huge productivity gains brought by 30 years of motorway building. Politically, too, the outlook is encouraging following the almost bipartisan approach to railway policy evident in the last Parliament.

Without better industrial relations, these opportunities could easily be sacrificed, bringing a return to the see-saw economics of the 1960s, made wider by the heavy hand of Government price control. In his annual report, Sir Peter stated frankly that not enough had been achieved in 1978 in the "cut and thrust" of productivity which lies at the heart of our present industrial problem. He can be criticised for not making this warning plainer and his negotiating position stronger at an earlier stage. He cannot be accused of inaccuracy.

BRITISH RAIL PERFORMANCE INDICATORS

	1974	1975	1976	1977	1978
Passenger miles/net tonne	141	138.3	137.2	140.9	144.7
miles per staff member*					
Passenger grants as % of gross domestic product	0.35	0.29	0.29	0.27	

* This is a rough indicator which British Rail uses to measure productivity. It adds total passenger/miles to total tonne/miles of freight and divides the sum by number of railway staff.

Letters to the Editor

Making farmers foot the bill

From Dr. G. Hallett

Sir—Mr. Cherrington suggests (April 10), as he has often done, that farmers respond to low prices by increasing output. There is really no evidence for this "backward sloping supply curve." All the evidence throughout the world is that sustained low prices have a dampening effect on farm output and sustained high prices a stimulating effect, mainly because of the influence on investment. What is true, however, is that the process takes a long time, especially contraction and the influence of price is overlain by technological changes which periodically cause surges in output. The acceleration in yields in European agriculture since the war reflects a phase of agricultural research beginning in the 19th century.

It is therefore probably true that a short-term price squeeze will not be sufficient to cope with surpluses, and there is a good case for quota arrangements where they are feasible. One of the troubles in the early stages of the Common Agricultural Policy was that national control arrangements were relaxed because the Commission believed that supply could be managed by setting "appropriate" prices—which were, of course, set too high because of political pressures.

But quotas have grave defects in the longer run, because of their tendency to freeze the prevailing pattern of production. This effect can be reduced by making quotas saleable, but quotas are essentially a short-term expedient and should not be allowed to obscure the need for moderation in agricultural subsidies. It is not just a question of price support but also of "guidance" subsidies. There are many national and Community subsidies which encourage farmers to plough-up heathland, drain marshes, uproot hedgerows, which is precisely the reverse of what is now needed. "Guidance" subsidies should be confined to activities like the consolidation of fragmented German holdings and the withdrawal of marginal land from cultivation. Dr. Mansholt, the first Commissioner for Agriculture, put forward a plan for subsidising the withdrawal of marginal land from cultivation which was absolutely right in principle. It was killed stone dead by the farmers' unions, who in this case were not defending their members' interests but simply failing to understand where they lay.

Graham Hallett (Dr), University College, P.O. Box 98, Cardiff.

Underground economies

From Mr. C. Drury

Sir—David Freud's article entitled "A guide to underground economies" (April 9) was as misleading as it was misleading. It might more appropriately have been called "A guide to my prejudices about the self-employed," such was the thinly disguised and more than slightly holler-than-thou crusading style in which the piece was written.

David Freud is by unctuous implication not (and never has been?) party to the under-

ground economy. But that doesn't stop him blithely asserting that "savings from black earnings... are likely to be much higher than in the official economy," without the slightest shred of evidence to support the claim. Undaunted Mr. Freud swept breath-takingly on to state that "these extra savings go under the mattress." May I suggest that this is sheer hogwash?

Mr. Freud's mischievous tongue was soon stirring again. By a neat trick he makes "many" read as if it were "most" when he writes without mentioning many who do not write about "the way in which many of the self-employed overstate their expenses to cut net earnings for purposes of tax." What demagogic cheek! Do journalists never urge up their expenses?

He's at it again in the next paragraph. "That the self-employed often do indulge in some kind of fiddling... is strongly suggested in the latest Family Expenditure Survey (from the Department of Employment)". Does this sloppy and contentious statement mean all the self-employed, many of whom are of the "minority" and what, may we ask, is the statistical worth of the figures in the FES—damn low, I suspect!

Three paragraphs later Mr. Freud surpasses himself in his anxiety to continue to present what Parry Mason would dismiss as irrelevant and incompetent hearsay, as damning and incontrovertible truth. He says that "researchers (which ones?) in the U.S. (in Lookout Mountain?) believe (in other words they don't know) that the remarkable increase in the use of large denomination notes is a key indicator of black economic activity." From that totally unproven mish-mash he then baldly states that "people tend to pay their 'black' plumbing bills for say, £100 in £10 or £20 notes rather than in £1 or 25 notes." Evidence please or is this just plain unadulterated guesswork? Or just what he himself does after a hard day's work?

Charles Drury, Grosvenor, Dulpton, Somerset.

Neither saints nor sinners

From Mr. J. Holland

Sir—One gets tired of reading articles such as that by David Freud, "A guide to underground economies" (April 9) which attack the self-employed by the use of spurious or misleading statistics. These hard-working members of the community can, like members of trades unions, be classified collectively neither as saints nor sinners. One searched in vain for some sign of balance by reference to the Mickey Mouses of Fleet Street whose misdemeanours are being treated with far more leniency by Sir William Pile's merry men than was ever extended to an erring member of the self-employed.

It is obvious that Mr. Freud has scanty knowledge of the checks carried out by the Inland Revenue in determining the accuracy or otherwise of accounts submitted by the self-employed. He would otherwise know that there is no way in which those assessed on net earnings of £40-£60 a week can

consistently be spending £64.64p a week. Since that figure is palpably incorrect one can place no reliance on the calculation based on other statistics used to show that the self-employed are "fiddling" an amount equivalent to 1 per cent of GDP. His assertion that the growth in circulation of £10 and £20 notes indicates a corresponding growth in the black economy is ridiculous, as any weekly wage earner will confirm. The fact is that the growth in take-home pay between 1972 and 1978 has led to an increased use of higher denomination notes in wage packets. It is as simple as that.

I fear also that in attempting to use VAT statistics to indicate that goods worth between £250m and £750m entered the black economy as the result of fraud by retailers he has proved only his total ignorance of that tax. On the basis of the first year of operation of the tax when the special schemes under which retailers calculate the VAT they owe were causing all sorts of problems and much of the tax loss from retailers during that year arose from errors of principle which were later corrected. One of the major sources of fraud does not involve the sale of goods or services at all and that is the fraudulent input tax claim. Similarly output tax evaded prior to the retail sale is contained in the tax loss of £20m but cannot be included in any calculation of goods and services entering the black economy. For these and other reasons Mr. Freud's estimate that the contribution made by fraudulent retailers to the black economy amounted to between 1 per cent and 1 per cent of GDP is not only nonsense but dangerous and divisive nonsense.

If estimates of the volume of undeclared incomes are to be made let them be all-embracing and not concentrated on one section of the population, the self-employed and small businesses, on the basis of false facts.

J. C. Holland, Lear House, Moorland Road, Burslem, Stoke-on-Trent.

A wealth tax

From the Deputy Director-General, CBI

Sir—Mr. McGregor (April 5) says that a wealth tax would be a very acceptable substitute for inflation. He is wrong. Mr. Peter Shore put it in a nutshell recently when he said: "It is folly to dispose of your capital and use the proceeds as income." It is indeed, and that is precisely what a wealth tax would do. If we as a country are to solve the immense problems which face us we must do the right things and not the wrong but allegedly popular ones.

Edward James, Confederation of British Industry, 21, Tothill Street, S.W.1.

Assisting exporters

From the Chairman, Sanderson Engineering

Sir—With reference to the letters of Mr. Barrie Quilliam (March 30) and Mr. L. A. Younger (April 5), the latter's comments are valid but seem to ignore the point made by

Mr. Quilliam in the first place. I must support his doubts that the Export Credit Guarantees Department policy is of any use to the smaller firm/exporter, at best they are of dubious value and certainly of little use if you have to make a claim. There are many pitfalls for the unwary and regulations that do not appear in the documentation issued.

There is great need for the Department to issue a booklet spelling out its conditions in the English language in much the same way as, say, commentaries are available on British Standards. Maybe the professionals of the International Export Association could do it for us all if ECGD is too busy elsewhere.

Sanderson Engineering, Sanderson House, Almsney, Thornaby, Stockton-on-Tees, Cleveland.

The rented sector

From the Press Officer, Small Landlords' Association. Sir—Clearly continuity of tenure need not constitute an obstacle to any building societies that operate in the rented sector (Mr. Thornton's letter, April 6). But as for managing as well as housing associations it must be remembered that their books are not balanced "fairly" rents because they receive substantial subsidies (as much as 75 per cent) through the Housing Corporation. This, despite the fact that housing associations purchase some occupied property from private landlords at discount prices.

If the building societies are really going to increase the supply of rented accommodation, they will have to purchase unoccupied property. If they then accept the strictures of the Rent Act and let it out at "fair" rents, they will make substantial losses unless they too enjoy large Government subsidies.

G. F. Curtings, c/o 7 Rensley Avenue, Streatham, SW16.

Taking the strain

From the Board Member for Marketing, British Railways Board

Sir—Doubts have been expressed in various quarters on the future of the advanced passenger train project. I should like to make it clear that these doubts are not shared by British Railways Board which regards APT as an even more promising development than the already successful high speed train. In particular, the criticism voiced by Mr. Mortimer (April 9) that APT is inappropriate for the west coast main line is misplaced. The west coast main line has many sharp curves and steep gradients. At 125 mph maximum, APT can reduce journey times by nearly an hour between London and Glasgow, whereas time savings with a conventional 125 mph train have been shown by studies we have done to be small. Surveys show that 75 per cent of air passengers will be interested in trying APT on such a schedule.

R. B. Reid, British Railways Board, 223, Marylebone Road, NW1.

Today's Events

- GENERAL**
UK: National Association of Schoolmasters-Union of Women Teachers conference opens at Eastbourne (until April 20).
National Model Railway Exhibition, Central Hall, Westminster (until April 21).
National Union of Teachers conference, The Spa, Scarborough (until April 19).
National Union of Students conference opens, Winter Gardens, Eastbourne (until April 21).
Overseas: Rhodesian "one-man one-vote" elections commence (until April 21).
U.S. Vice-President Mondale visits Norway.
COMPANY RESULTS
Final dividends: George M. Callender and Co. Cosalt.
- EXHIBITIONS**
Victoria and Albert Museum: Eileen Gray, Designer, 1870-1976. Room 48E (until April 22); Samuel Palmer—A vision recaptured—The etchings and related paintings for Virgil and Milton, Room 74, Library Gallery (until May 6).
Museum of Childhood, Bethnal Green: Puppets of the World (until May 27).
- CONFERENCE MEETINGS**
See the Financial Diary on Page 10.
LUNCHTIME MUSIC, London
Recorded music by D'Indy and Faure at Holy Sepulchre, Holborn Viaduct, 1.10.

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Trade Development Bank Holding S.A.

Luxembourg

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shareholders of Trade Development Bank Holding S.A. (TDB Holding) will be held at the registered office of the company, 34, Avenue de la Porte-Neuve, Luxembourg at 2.30 p.m. on 8th May, 1979 for the purpose of considering and voting on the following matters:

1. Approval of the report of the Chairman of the Board of Directors and of the Statutory Auditor for the period ended 31st December, 1978, and approval of TDB Holding's balance sheet as at 31st December, 1978 and profit and loss account for the year ended 31st December, 1978.
2. Discharge of the Directors and of the Statutory Auditor for the proper performance of their duties for the period ended 31st December, 1978.
3. Appropriation of US\$ 650,000 to the legal reserve, distribution of a dividend of US\$ 10,662,145 (US\$ 0.65 per share) and the carrying forward of the balance of the profit.
4. Election of the Board of Directors and of the Statutory Auditor for 1979. All the Directors are eligible and stand for re-election. Election of Mr. John A. Waage as a new member of the Board of Directors.
5. Approval of the consolidated balance sheet as at 31st December, 1978 and profit and loss account for the year ended 31st December, 1978 for TDB Holding and its subsidiaries.

By Order of the Board,
Edmond J. Safra,
Chairman

NOTES:

Subject to the relevant resolution being approved, the dividend will be payable on 31st May, 1979: (i) in respect of registered shares to shareholders on the register at the close of business on 1st May, 1979 and (ii) in respect of bearer shares against surrender of Coupon No. 7 to any of the Paying Agents listed below.

Any shareholder whose shares are in bearer form and who wishes to attend the Annual General Meeting in person must produce a depositary receipt or present his share certificates to gain admission. If he wishes to be represented at the meeting, he must lodge a proxy duly completed together with a depositary receipt at the registered office of TDB Holding at 34, Avenue de la Porte-Neuve, Luxembourg, not later than 7th May, 1979 at 6.00 p.m. The shareholder may obtain the depositary receipt and, if required, the form of proxy from any of the banks listed below by lodging his share certificates at their office or by arranging for the bank by whom his certificates are held to notify any of the banks listed below that the shares are so held.

Any shareholder whose shares are registered will receive a notice of the Annual General Meeting at his address on the register together with a form of proxy for use at the meeting. The proxy should be lodged at TDB Holding's office in accordance with the above instructions.

The existence of the form of proxy will not preclude a shareholder from attending in person and voting at the meeting if he so desires. The Resolutions may be passed by a simple majority provided that no single shareholder or proxy may cast votes in respect of more than one-fifth of the issued capital or more than two-fifths of all shares represented in person or by proxy at the meeting.

Copies of this notice and of the Annual Report including the Accounts of TDB Holding for the year ended 31st December, 1978, may be obtained at its registered office, and from any of the banks at the following addresses:

- *Manufacturers Hanover Limited, 8 Princes Street, London EC2P 2EN.
- *Banque Internationale à Luxembourg S.A., 2, boulevard Royal, Luxembourg.
- *Manufacturers Hanover Bank Belgium, 13, rue de Ligne, 1000 Brussels.
- *Manufacturers Hanover Banque Nordique, 20, rue de la Ville-L'Évêque, 75008 Paris.
- *Manufacturers Hanover Trust Company, 40 Wall Street, New York, N.Y. 10013.
- *Manufacturers Hanover Trust Company, Bochenheimer Landstr. 51/53, Frankfurt.
- *Republic National Bank of New York, 452 Fifth Avenue, New York, N.Y. 10018.
- Trade Development Bank, 25, Corso S. Gotardo, 6830 Chiasso, I.
- *Trade Development Bank, 21 Aldermanbury, London EC 2P 2BY.
- Trade Development Bank (France) S.A., 20, Place Vendôme, 75001 Paris.
- *Trade Development Bank (Luxembourg) S.A., 34, Avenue de la Porte-Neuve, Luxembourg.
- Trade Development Bank, 2, place du Lac, 1211 Geneva.

*Paying Agent of TDB Holding

The Insurance Corporation of Ireland Limited

NOTICE IS HEREBY GIVEN that the 44th Annual General Meeting of the company will be held at the Shelbourne Hotel, St. Stephen's Green, Dublin 2, on Friday, 4th May, 1979, at 12.00 noon for the following purposes:

1. To receive and adopt the report of the Directors and the accounts for the year 1978;
2. To declare a dividend;
3. To elect a Director;
4. To authorise the Directors to fix the remuneration of the auditors;
5. To transact any other ordinary business of the company.

By Order of the Board
C. J. LOBO
Secretary

Copies of the report are available at Burlington Road, Dublin 4, or at any of our branches.

Proxy forms must reach the Secretary of the company at Burlington Road, Dublin 4, not less than 45 hours before the time appointed for the holding of the meeting.

BUSINESSMAN'S DIARY

UK TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Apr. 18-21	National Food Services (01-686 7181)	Grosvenor House, WI
Apr. 22-24	Numerical Control Equipment Exhibition (01-431 7055)	National Agricultural Centre, Warwickshire
Apr. 23-27	Storage, Handling, and Distribution Exhibition (01-442 2411)	Earls Court
Apr. 23-27	International Fire, Security and Safety Exhibition (01-388 7661)	Olympia
Apr. 25-26	Contract Flooring Exhibition (01-236 0911)	Exhibition Centre, Bristol
Apr. 30-May 6	Boat Show (0703 32348)	Exhibition Centre, Harrogate
May 2-4	International Freight Services and Equipment Exhibition—Freight Show North (01-437 0644)	

OVERSEAS TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Current	International Trade Fair (until April 23)	Milan
Apr. 19-25	International Book Fair	Jerusalem
Apr. 20-27	International Spring Fair (01-486 1951)	Zagreb
Apr. 20-29	International Household Fair	Amsterdam
Apr. 21-29	AGRO 79—Northern Agricultural Fair	Braga
Apr. 21-May 1	Swiss-Industries Fair and European Watch, Clock and Jewellery Fair	Basel
Apr. 25-28	FESPA 79 International Screen Printing Trade Fair	Amsterdam
Apr. 25-May 2	International Collectors' Fair (01-236 0911)	Stuttgart
Apr. 25-May 13	International Trade Fair	Brussels
Apr. 30-May 3	11th Annual Offshore Technology Conference and Exhibition (01-486 1951)	Houston
May 21-26	British Machine Tools Exhibition and Seminar (01-215 7377)	Seoul
June 6-16	All-British Energy Exhibition (021-705 6707)	Peking
June 8-July 1	International Transport Exhibition (IVA '79) (02013 4450)	Hamburg
June 9-17	33rd International Aeronautics and Space Exhibition (01-439 3964)	Paris
June 10-18	International Technical Goods Fair (01-315 7877)	Poznan

BUSINESS AND MANAGEMENT CONFERENCES

Date	Title	Venue
Apr. 18-19	IMPI/AMEDA: Microwave—a Cooking Revolution (0582 411001)	London, W8
Apr. 18	AGB: Executive Secretary (01-353 3651)	Charing Cross Hotel, WC2
Apr. 18-20	Eurotech Management Development Service: Be a More Effective and Persuasive Communicator (0232 813066)	Cafe Royal, WI
Apr. 19	AGP: Essentials of Employment Law (01-353 3651)	Cafe Royal, WI
Apr. 19-20	FT Conference: South East Asian Banking and Finance (01-236 4382)	Singapore
Apr. 19-20	MSS Computer and Business Consultancy: Manufacturing/Production Control Concepts (Worthing 34755)	Worthing
Apr. 19-20	Malaysia Investment Centre: Assisting UK Businessmen in the Expansion of Trade and Investment Opportunities in Malaysia (01-493 0616)	Piccadilly Hotel, Manchester
Apr. 20-23	IPM: Current and Future Developments in Pay Policy and Industrial Relations Practice (0865 735422)	Kennington, Oxford
Apr. 23-27	University of Bradford Management Centre: The Practical Skills of Managing People at Work (Bradford 423599)	Hendon Mount, Bradford
Apr. 23-May 4	Bruxel Institute: Management of Research (Uxbridge 66461)	Uxbridge
Apr. 23-27	Management Centre Europe: Marketing Management Course	Brussels
Apr. 24-26	ESC: International Conference on Trans-National Data (067282 2711)	Brussels
Apr. 25	IMRA: Planning Our Markets for the Mid 1980s (Leedsfield 234458)	Shrewsbury
Apr. 25	BCPA: Credit Control (01-405 1023)	Waldorf Hotel, WC2
Apr. 25	CCC: Industrial Tribunals—The Finance and Strategy of Preparing and Presenting Cases (01-222 6362)	Royal Garden Hotel, W8
Apr. 25-27	Institute for International Research: The 1979 Corporate Tax Conference (01-388 4817)	St. James, London SW1
Apr. 26	OEM Design Magazine: Microprocessors for your company (01-539 3143)	Cavendish Conference Centre
Apr. 26	BAS: Insuring Overseas Construction Projects (01-222 0323)	Cafe Royal, WI
Apr. 26	Mobile Training: Employee Participation—The Way Ahead (01-242 3067)	The Bull Hotel, Gerrards Cross
Apr. 26-27	Executive Offices: Developing Technical Men as (Better) Managers (0494 171)	Hotel Inter-Continental, WI
Apr. 26-27	CCC: Tendering and Contracting in UK and Overseas (01-222 6362)	Basinghall St. EC2
Apr. 26-June 28	FT/The City University: City Course (01-236 4382)	University of Leeds
Apr. 27	The University of Leeds: Basic Principles of Community Law (053225638)	The Post House, Northenden
Apr. 30	Fielden House Productivity Centre: The Companies Bill and the Four Directives (061 445 2426)	Metropole Hotel, Brighton
Apr. 30	Institute of Grocery Distribution: 1984—For better or worse?	Carlton Tower Hotel, SW1
May 1-2	Management Studies Centre: Second International Word Processing Convention (01-940 6696)	Royal Garden Hotel, W8
May 2	Bent Business Promotions: Contract Furnishings—Reducing the Fire Hazard (Edenbridge 863944)	Bull Hotel, Gerrards Cross
May 5	Executive Conferences: Visual Inspection (High Wycombe 33171)	London Hilton
May 8-10	Crown Eagle Communications: UK Government Contracts (01-636 0617)	Press Centre, EC4
May 9-10	AMR International: Multi-Currency Asset Management (01-262 2732)	Press Centre, EC4
May 11	CCC: Takeovers and Acquisitions—Optimum Terms for Vendor and Purchaser (01-222 6362)	Press Centre, EC4
May 11	Executive Conferences: Quality Manuals—Development and Preparation (High Wycombe 33171)	Bull Hotel, Gerrards Cross

Group deposits exceed £2,000 million



The 28th Annual General Meeting of the Proprietors of the Bank of Scotland will be held on 8th May within the Head Office, Edinburgh. The following is an extract from the statement by the Governor of the Bank, The Rt. Hon. Lord Clydesdale, K.T., C.B., M.B.E.

The Year's Results

The Group's operating profit for the year ended 28th February 1979 was £33,107,000, an increase of 13.3% over the figure for the previous year, as adjusted for accounting changes. Adding in our share of Associated Companies' profits—

which represents the return from investments of a now quite substantial level—brings out a pre-tax profit of £34,282,000 and, after tax and extraordinary items, the profit attributable to the Proprietors is £22,289,000.

The increase of £5.3 million in pre-tax profit came this year mostly from the Clearing Bank, with relatively smaller contributions from the two major subsidiaries—the converse of the experience a year ago. Average Base Rate rose by 2.26% to 10.11%, partially reversing the fall of 3.7% a year ago and average sterling resources were some 12% higher, to the effect that net interest earnings from our domestic business showed a good increase. Lending in foreign currency also expanded and contributed to the improvement in net interest income. Commissions and service charges recorded only a moderate rise, while mounting expenses went a long way towards offsetting the overall revenue benefit. In the final outcome, with a further increase in our share of the profit of International Energy Bank, the parent Bank's profit was about £4.6 million ahead of last year's adjusted figure.

At the pre-tax level, North West Securities Ltd. and their Associated Companies contributed £7,924,000 to the Group Results—over £400,000 more, in a year which was marked by the adverse effect upon fixed-rate business of the higher level of interest, and also by an increasingly competitive climate. The major Associate is Hanley Ltd., North West's share of whose profits is brought in for the first time, and this figure—reflecting their record results—is an important element.

The British Linen Bank's contribution to the Group's result is £3,474,000, some £200,000 higher than last year, reflecting a useful increase in volume of business of all kinds. The merchant banking business of the British Linen is now firmly based and they are developing their potential in each type of activity. Shortly, they intend to open an office in London.

Strong Balance Sheet

The Bank's Balance Sheet, showing Deposits at £1,584 million and Advances £1,330 million, demonstrates a further substantial increase in resources and a highly liquid position.

The Consolidated Balance Sheet brings out total resources employed as £2.4 billion, an increase of £414 million, or 21%, over the previous year.

Dividend

The Board recommend a payment of a Final Dividend of 6.053p per £2 bringing the total in respect of 1978/79 to 12.1852p per £2, the maximum which can be paid under the continuing governmental restraints.

The Economy

Corporate investment was fairly buoyant in 1978, increasing by 7% in real terms. We shall be fortunate if it can be maintained at around that level in 1979. Increased costs and expectations of reduced profitability in many industries could well cause the reversal or deferment of a number of investment decisions.

Not least important among the factors pointing to increased costs is the current high level of interest rates. High rates, although beneficial in the short term to the banking sector, are a deterrent, in conditions of poor productivity and low return on capital, to new investment by industry.

The banking industry thrives on a buoyant economy. Although high interest rates produce an immediate benefit in terms of profits, banks would far rather see an upsurge in economic activity accompanied by fuller utilisation of borrowing limits and a spate of new applications for finance. It is in such conditions as these that the long term prosperity of the banks is best assured.

In Scotland, after experiencing fuller utilisation of industrial capacity and a marginal decrease in unemployment during 1978, we suffered a decided setback in the opening months of 1979. The consequences of disruptive strikes in the service industries have not yet been measured but they have clearly damaged production in a number of industries, some of them, regrettably, industries vital to our export trade.

Despite present uncertainties, the results of a recent survey by the Scottish Council (Development and Industry) are surprisingly encouraging: manufacturing companies in Scotland plan to invest £575 million this year in new buildings, plant and machinery. The net gain in employment is predicted to be in the region of 4,000 and there will, in addition, be continuity of work in the construction industry to offset the damaging cuts in public expenditure imposed by the Government. If these forecasts are even only partially fulfilled, we shall fare rather better in 1979 than anyone would have dared to prophesy at the height of the industrial troubles.

The Executive

In September 1978 we announced the appointment as Deputy Treasurer and General Manager of the Bank of Mr. D. B. Pattullo, then Director and Chief Executive of The British Linen Bank Ltd., and formerly General Manager of its predecessor, Bank of Scotland Finance Company Ltd. These successive posts Mr. Pattullo held with distinction for a period of over six years. In making this appointment we were planning for the succession to the office of Treasurer and General Manager, Mr. A. M. Russell having expressed the wish to retire.

Mr. Russell will deem office on 3rd July 1979, thus completing over five years in the demanding role of chief executive and bringing to a close a career of 43 years in Scottish banking. His period in the highest office has been characterised by a great interest in people, both staff and customers, by his sureness of touch and a selfless dedication to the interests of the whole Group.

We have appointed Mr. Pattullo as Mr. Russell's successor, bringing him back, so to speak, to the centre of the stage, completely confident that under his guidance the affairs of the Bank of Scotland Group will continue to prosper.

Staff

Staff at all levels have continued throughout the year to work loyally and conscientiously for the betterment of the Group. Their loyalty was nowhere more clearly seen than at the height of the winter blizzard when, despite blocked roads and the absence of transport in many areas, members of staff made a point of turning up for duty. I am glad to record that relations with the Staff's representatives, the National Union of Bank Employees, have continued on a sound basis and we have been responsive to a number of proposals which they have put to us.

In particular, the Board have agreed, as have the majority of other clearing banks, to introduce a profit-sharing scheme under which employees of the Group will have the option of taking their annual share of profits either in the form of an allocation of Stock or in cash. The inception of such a scheme, calculated as it is to give employees of the Group an opportunity to acquire a stake in it and identify themselves more closely with its future fortunes, is a measure which the Board are confident will prove to be rewarding.

SUMMARY OF GROUP RESULTS

Year ended 28th February	1979	1978
	£000's	£000's (adjusted)
Group operating profit	32,107	28,189
Share of associated companies' profits	2,145	766
Group pre-tax profit	34,252	28,955
Profit attributable (after tax and extraordinary items)	22,289	18,774
Retained in business	18,339	15,237

American Trust Company Limited

Summary of the results for the year ended 31st January 1979

MAIN FEATURES

	1979	1978
Net assets attributable to shareholders	£50.0m.	£43.7m.
Net asset value per share	60.6p	52.9p
Revenue available for ordinary shareholders	£1.36m.	£1.12m.
Earnings per ordinary share	1.70p	1.42p
Earnings per ordinary share assuming full conversion of B ordinary shares	1.64p	1.36p
Dividends per ordinary share	1.55p	1.35p
Capitalisation issue (B ordinary shares)	3.81985%	3.86640%

DIVIDEND AND ASSET VALUE

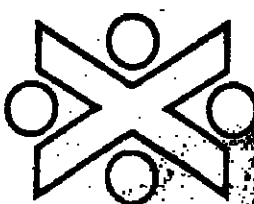
The directors recommend that a final dividend of 1p per share be paid on the ordinary shares, making a total for the year of 1.55p per share. This total dividend represents an increase of 14.8 per cent over last year.

Asset Value per equity share, on a slightly greater number of equity shares in issue, showed an increase of 14.5 per cent over the year.

PORTFOLIO DISTRIBUTION

	1979	1978
	%	%
United Kingdom	47.3	50.2
U.S.A.	36.1	33.6
Japan	3.5	3.0
Canada	3.4	2.3
Europe	3.0	2.0
South America	1.4	1.3
Far East	0.1	0.7
Net current assets	5.2	6.9
	100.0	100.0

Copies of the report and accounts may be obtained from the managers and secretaries, Edinburgh Fund Managers Ltd., at 4 Melville Crescent, Edinburgh EH3 7JB, where the annual general meeting will be held on Tuesday, 8th May 1979, at 12.15 p.m.



BANK OF SCOTLAND

Handwritten signature or mark.

Friday April 17 1979

EXHIBITION
Venue: Grosvenor House, Grosvenor Gardens, London W1A 3AB
Zoo's Court
Olympic
Exhibition Centre

EXHIBITION
Venue: Grosvenor House, Grosvenor Gardens, London W1A 3AB
Zoo's Court
Olympic
Exhibition Centre

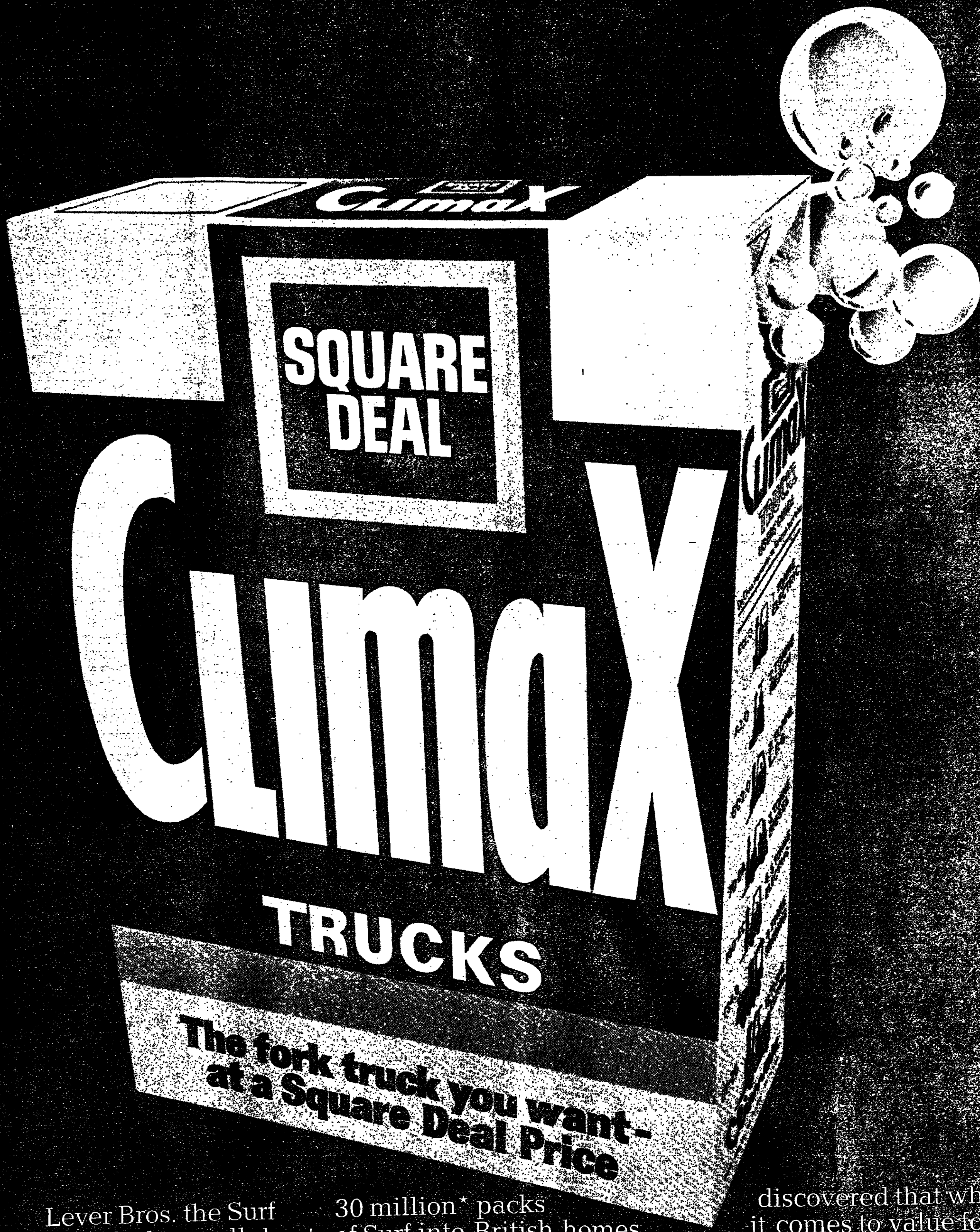
CONFERENCE
Venue: Grosvenor House, Grosvenor Gardens, London W1A 3AB
Zoo's Court
Olympic
Exhibition Centre

Trust
mite

1978
£41.7m
\$2.7p
£1.17m
1.0p
1.36p
1.36p
3.5640%

VALUE

ON



Lever Bros. the Surf people - who know all about square deals - use Climax fork lift trucks.

A fleet of Climax trucks is employed at Lever Bros' 'Port Sunlight' Plant, helping to shift over

30 million* packs of Surf into British homes every year.

We've built a reputation at Climax for building machines that outlast and out-perform our rivals.

And Lever Bros. have

discovered that when it comes to value for money, Climax shows most other fork lift trucks a clean pair of wheels.

*Independent Market Research

Climax

Coventry Climax Limited, Sandy Lane, Coventry CV1 4DX. Telephone: Coventry (0203) 555355. Telex: 31632

Companies and Markets

UK COMPANY NEWS

Royal Insurance warns on judgements convention

THE BRITISH Government should not ratify the proposed Convention for the enforcement of UK/US judgements declared by Mr. Daniel Meinerzhagen, in his chairman's statement with the report and accounts of Royal Insurance Company for 1978.

He points out that the Government had indicated that manufacturers should have a strict liability for their products and that this could lead to a situation similar to that in the U.S. with high court awards.

Mr. Meinerzhagen referred to the intensifying competition that was occurring in world-wide insurance operations, that in Canada and Australia particularly affecting the company.

The demand for reinsurance was for a number of reasons rising more rapidly than that for insurance itself.

The company was constantly endeavouring to obtain a greater degree of stability in world market conditions and it intended to use its strength to seek to reduce the severity of the pattern of recent underwriting cycles.

There is also considerable scope for improving the terms of leases. Property in Birmingham, Leicester and Brussels is now, taken together, almost half let.

He says the past year's results were affected by a number of unusual items, on balance favourable. A Brussels site which has now been sold has been written down earlier by an excessive amount, and \$910,000 has been included in extraordinary items and transferred to capital reserve.

In addition an estate of houses built by a subsidiary in 1970-72 has suffered structural defects, and a provision of \$432,000 has been made as an exceptional item to deal with these.

As reported pre-tax profit for 1978 advanced from £194,337 to £312,095 before exceptional and extraordinary items.

A report on turnover and pre-tax profit by class of business shows for the investment sector: UK £4,700,747 and £555,008 (£1,500,000 and £170,000); Australia £3,181,996 and £397,026 (£1,778,955 and £129,718).

The directors point out that in the case of properties held as trading stocks they are continuing to include such properties in the balance sheet at the lower market value.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interim or final and the sub-divisions shown below are based mainly on last year's timetable.

Table with columns: Company Name, Date, and Notes. Includes entries for Amalgamated Metal, Benthall, Carrara, Clayton, etc.

meet this situation Royal Reinsurance, a new specialist reinsurance company subsidiary, had been set up and the reinsurance business of the group transferred into it.

comment Royal's underwriting results in the first quarter are likely to be worse than they were a year ago. Storm damage in the UK could cost roughly double 1978's figure of £20m or so, while continental Europe and the U.S. have also

had a thin time. But Royal remains confident about its ability to withstand the wider extremes of the underwriting cycle. And its balance sheet has been further strengthened, with outstanding claims reserves up from \$0.5 to \$3.1 per cent of written premiums at year-end exchange rates.

CIT sale to NatWest completed

C.I.T. Financial Corporation has completed the sale of 100 per cent of its interest in National Bank of North America to National Westminster Bank of the UK, for about \$430m (£206m).

Monks Investment Trust has sold \$5.25m of investment currency at an average premium of 43.6 per cent on an exchange rate of \$2.023, and has replaced \$3m of the amount sold with a bank loan repayable on April 5, 1984 and with a variable rate of interest.

Profit rise at IBM-UK Profits before tax of IBM United Kingdom Holdings rose 33 per cent from £110m to £147m in 1978 on turnover of 31 per cent at £758m compared with £578m previously.

Commenting on the results, Mr. E. R. Nixon, chairman and chief executive said demand for all group products was buoyant as customers continued to invest in information processing equipment to increase productivity, and to control and expand their businesses.

Looking ahead to 1979, the chairman says the advances in technology incorporated in the recently announced System/38 and 4300 Processors, will enable the group to provide customers with substantial improvements in price/performance, and he anticipates a steady growth in demand.



Mr. Archy Aronson, chairman of A. Aronson (Holdings), at the company's St. Albans works, where the group has just spent \$600,000 on further automation.

great deal of time," the chairman explains. The group currently has a considerable investment programme in hand including a 24,000 sq ft extension of its Cotes Park factory in Derbyshire due to be completed by the end of this year.

In addition to aid under the Machine Tool Industry Scheme, because it is in a development area this building will also qualify for Government assistance. It will double the existing area and allow more concentration on the manufacture of the group's Model 540 surface grinder. Mr. Brooks states:

For 1978 the group lifted total sales to £18.96m (£13.74m) of which near 43 per cent (38.4 per cent) was exported. As reported March 15 the net total dividend is raised to 6.4p (5.37p).

Bronx Engineering sees bigger profit this year

FOR the current year, Mr. C. B. Crosthwaite, chairman of Bronx Engineering Holdings, confidently expects profit to be above last year and that this trend will continue into 1980.

Exports for the year represented 46 per cent of turnover and together with the larger proportion of export orders on hand at the year-end, "emphasises yet again how we have to look outside our home market for the expansion of our activities," the chairman declares.

John Lewis SALES in the John Lewis Partnership department stores last week, nearly £7m, were 24.8 per cent up on the corresponding week last year.

THE LONG-TERM CREDIT BANK OF JAPAN, LTD. Negotiable Floating Rate. U.S. Dollar. Certificates of Deposit. Maturity Date 18th November 1980.

Table with columns: Day, Call, % p.a., and % bid. Includes entries for Mon, Tues, Wed, Thurs, Fri/Sun.

Bank of Scotland chief calls for more borrowing

ALTHOUGH HIGH interest rates produce an immediate benefit in terms of profits, banks would rather see an upsurge in economic activity accompanied by fuller utilisation of borrowing limits and a spate of new applications for finance, says Lord Clyde, governor of the Bank of Scotland.

At the end of 1978-79 the bank's balance sheet showed a substantial increase in resources, and a highly liquid position with deposits at £1,888m (£1,378m) and advance at £1,248m (£968m), he points out.

Foreign currency business now amounts to about 27 per cent of total portfolio with a good proportion funded from customers' deposits. On the sterling side deposits continued to finance most of the bank's business and only minimal recourse was made to the "wholesale" market.

Working capital at year end was up £22.8m (£8.12m) and capital commitments amounted to £4,077m (£2,677m).

Bank of Scotland's international business has grown rapidly since 1975. Foreign currency lending now accounts for 27 per cent of the group's total and international profits contribute around a tenth of earnings.

UniChem up 27.3% to record £4.2m UniChem, the independent pharmaceutical wholesaler, reports pre-tax profits for 1978, up 27.3 per cent to a record £4.2m compared with the corresponding 1977 figure of £3.2m.

Prospects for C. T. Bowring are good and the group is expected to make further progress in the current year, says Mr. Peter Bowring, chairman, in his annual report.

Mr. Bowring says the decision to forge a link between the group's insurance interests and those of Marsh and McLennan of New York is "of the utmost significance" for the company's future.

INSURANCE BASE RATES Property Growth 113% Vanbrugh Guaranteed 10% Address shown under Insurance and Property Bond Table.

Table with columns: Authority, Annual Interest, Life gross pay, Minimum of, and Life of bond. Includes entries for Knowsley, Pooles, etc.

FINANCE FOR INDUSTRY TERM DEPOSITS Deposits of £1,000-£50,000 accepted for fixed terms of 3-10 years. Interest paid gross, half-yearly. Rates for deposits received not later than 27.4.79.

man of B and C, says in the document that "Common's future prospects would be improved if it were to become part of the B and C group with the benefit of its larger financial and trading strength. In that event, B and C intends to continue the business of Common and the rights of employees will be safeguarded."

Willis Faber forecasts higher profit Mr. A. R. Taylor, chairman of Willis Faber, the insurance broking and Lloyd's underwriting group is forecasting increased profits in the current year.

Mr. Taylor says that the Lloyd's underwriting activities continue to make a valuable contribution to group profits. During the year the group received many applications for underwriting membership of Lloyd's but the underwriters felt that there was some danger of diluting the interests of existing names.

On a current cost basis, along the Hyde guidelines, profit is cut to £24.5m (£20.65m) by adjustments for free capital of £8m (£8.9m), depreciation £1.2m (£0.9m) and £0.6m (£0.5m) related to associates.

Bank of Scotland's international business has grown rapidly since 1975. Foreign currency lending now accounts for 27 per cent of the group's total and international profits contribute around a tenth of earnings.

Osterreichische Kontrollbank Aktiengesellschaft U.S. \$50,000,000 Guaranteed Floating Rate Notes 1989

Notice is hereby given pursuant to Condition 3 of the Terms and Conditions of the above-mentioned Notes that the Rate of Interest (as therein defined) for the Interest Period (as therein defined) from 18th April, 1979 to 18th October, 1979 is at the annual rate of 11 3/4 per cent.

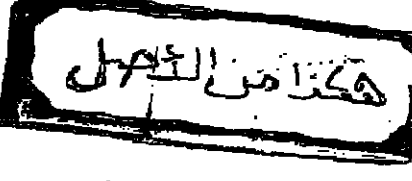
INDUSTRIAL AND MINING DEVELOPMENT BANK OF IRAN Floating Rate Notes due 1984

In accordance with the provisions of the above notes Merrill Lynch International Bank Limited, as Fiscal Agent, has determined that, for coupon No. 5, the rate of interest for the next period, payable on the 15th October, 1979, has been fixed at eleven and nine sixteenths per cent (11 9/16) per annum.

SCOTTISH PROVIDENT The 141st ANNUAL GENERAL MEETING of MEMBERS of THE SCOTTISH PROVIDENT INSTITUTION will be held on TUESDAY 15th May, 1979 at 12 noon in the HEAD OFFICE at 6 ST. ANDREW SQUARE, EDINBURGH EH2 2YA.

The Mercantile Investment Trust Limited. Four bar charts showing performance from 1977-79: Net Asset Value (+45%), Earnings Per Share (+89%), Share Price (+38%), and Management Expenses (-30%). Includes Chairman's comments and meeting details.

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Companies and Markets

INTERNATIONAL COMPANIES and FINANCE

Belgian chemicals group struggles back to profit

BY OUR FINANCIAL STAFF

UCB GROUPE, the Belgian chemical, pharmaceutical and packaging firm, hauled itself back into profitability last year, with a net profit of Bfr 103m (\$34m) after its heavy 1977 loss of Bfr 397m. This was achieved on a modest 3 per cent sales advance to Bfr 17,736m, reflecting a slight but persistent improvement in demand. UCB still has some way to go before returning to its 1976 group earnings level of Bfr 184m. UCB's profits picture was considerably brightened last year by exceptional profits of Bfr 129m, before tax, of which Bfr 112m stemmed from a surplus on the transfer of part of the methylenamine unit of UCB SA to Wierchem SA, in which the group has a 49 per cent stake. Ordinary profits totalled Bfr 22m, giving an overall pre-tax figure of Bfr 151m against a Bfr 368m loss the previous year and a Bfr 371m profit in 1976. The company said that sales of its pharmaceutical division showed a gain of 12 per cent last year, with those of the chemical sector rising by 5 per cent. On the packaging firm side, however, there was a 3 per cent drop.

UCB said that its film sector remained in the red during 1978, with a deficit of Bfr 132m, mainly reflecting the costs of the previous year's reorganisation. It also continued to lose money on chemicals—nearly Bfr 40m—but this was more than offset by the special surplus of Bfr 112m. Earnings on the pharmaceutical side, however, showed a Bfr 138m profit. At the parent company level, UCB SA produced an earnings total of Bfr 57m against a 1977 loss of Bfr 68m and a profit the previous year of Bfr 241m.

Sulzer Brothers to maintain dividend in spite of profit fall

BY JOHN WICKS IN ZURICH

SULZER BROTHERS, the Swiss engineering group, suffered a further drop in profits last year to SwFr 34.5m (\$20m) from SwFr 41.5m after the 12 per cent decline in 1977, but is again holding its dividend at 14 per cent. The parent company reported an even more marked drop in new orders in 1978, from SwFr 1.53bn to SwFr 1.4bn. Its turnover rose, however, from SwFr 1.94bn to SwFr 2.07bn for the year.

new-order value was down again to SwFr 3,020m compared with SwFr 3,390m in the previous year and SwFr 3,460m in 1976. The parent company reported an even more marked drop in new orders in 1978, from SwFr 1.53bn to SwFr 1.4bn. Its turnover rose, however, from SwFr 1.94bn to SwFr 2.07bn for the year.

Conti-Gummi holds out 1979 hopes

HANOVER

Conti-Gummi-Werke, the West German tyre group which is again paying no dividend after a slump in group profits from DM 20.45m to DM 4m (\$2.1m) last year, is optimistic about 1979 and following years. Herr Carl Hahn, chairman of the management board, said that turnover in the tyre sector was 10 per cent higher in the first quarter, with sales of technical products up by 4 per cent. But the company still did not expect to pay any dividend for this year, he said. Its last payment to shareholders was the DM 3 distributed in 1971.

Referring to 1978, Herr Hahn said developments at Conti-Gummi were satisfactory despite the sharp fall in net profit. Conti-Gummi's financial director, Herr Horst Urban, said that the company continued its programme of cost-cutting, improvement in production and rationalisation. Despite tough competition and price erosion in the tyre and technical products sector, the company achieved its goal of building up a basis for normalisation of production, capacity, and sales in the early 1980s, he added.

Iggesund cautions on earnings

BY VICTOR KAYETZ IN STOCKHOLM

IGGESUND, the Swedish pulp, board, steel and chemicals group, said better earnings were possible in 1979, but costs and currency relations still placed obstacles in the way of satisfactory long-term profitability. The uncertain Middle-East situation might also bring sizeable cost increases and disruptions this year, it added in its annual report.

The company recorded a 1978 pre-tax profit of Skr 52.9m (\$12.1m) on a turnover of Skr 1,640m (\$374m), compared with a 1977 loss of Skr 8m on sales of Skr 1,370m. The board proposes to raise the dividend by Skr 1 to Skr 8.50. Iggesund said that forest products, which last year accounted for 69 per cent of group sales, had a promising market outlook in 1979. But additional price rises are needed to achieve a satisfactory profit level, due to costs and to the current dollar/krona rate. Boxholm, the commercial steel subsidiary, can expect improved earnings, partly due to last year's shutdown of some units at Hornadal. Production there is due to close entirely this year.

As in previous years, the Malaysian market provided the bulk of the turnover and profits. Turnover here rose by 72 per cent to 240m ringgits, and pre-tax profit was 48 per cent higher at 18m ringgits. Sales in Singapore were slower, rising by 36 per cent to 97m ringgits, while profits fell by 25 per cent to 6m ringgits. The dividend for the year is 20 per cent, compared with 15 per cent.

Fine terms for new Spanish loan

By Rosemary Barr

A TEN-YEAR loan of between \$150m and \$180m is being raised by Instituto de Credito Oficial (ICO) on terms which are the finest for a Spanish borrower in the current cycle. The spread over interbank rates is 1/2 per cent for the first two years and 1 per cent for the rest. The grace period is 5 1/2 years. Recently, Telefonica arranged a 10-year \$50m loan at a spread of 1/2 per cent through out this was club deal led by Lloyds Bank International. The ICO deal is being arranged by Citicorp International Bank.

Better than expected outturn at Tan Chong

BY WONG SULONG IN KUALA LUMPUR

TAN CHONG Motors, distributor of Datsun cars in Malaysia and Singapore, has reported a 19 per cent rise in pre-tax profits to 24m ringgits (\$510.8m) for last year. Although the growth pales when compared with the 170 per cent jump in profits during 1977, the group has nevertheless done well considering that it was not able to match the sharp appreciation of the yen with increases in the retail prices for its cars.

As in previous years, the Malaysian market provided the bulk of the turnover and profits. Turnover here rose by 72 per cent to 240m ringgits, and pre-tax profit was 48 per cent higher at 18m ringgits. Sales in Singapore were slower, rising by 36 per cent to 97m ringgits, while profits fell by 25 per cent to 6m ringgits. The dividend for the year is 20 per cent, compared with 15 per cent.

Siemens fined on alleged competition law offence

BY LESLIE COLTIT IN BERLIN

THE FEDERAL Cartel Office has fined Siemens and three of its top executives a total of DM 150,000 (\$70,000) for allegedly threatening to retaliate against another company if it continued to compete with Siemens for business. Siemens says it will appeal against the fine to the Berlin Appeal Court.

GmbH, at that time a subsidiary of Varta Batterie, to deliver a large emergency generating plant worth DM 750,000 to the Federal Collection Office in West Berlin. Ceag won the order. Siemens is then said to have threatened Varta to buy fewer of its batteries if the Ceag subsidiary continued to sell such emergency generators. Simultaneously, Siemens is alleged to have offered to co-operate with Ceag in smaller emergency generators.

CURRENCIES, MONEY and GOLD

Interest rates in the EMS

BY COLIN MILLHAM

There has been little change in the order of strength of the various currencies in the European Monetary System, since it began about one month ago. The Italian lira has remained at the top throughout, while the Belgian franc has occupied the lowest place. Because the lira has a wider band of allowed movement than the other members, the Italian currency's strength has caused few problems. The appreciation of the Danish krone, the second strongest member, has caused problems however, because that currency has a much smaller band to move in. Over the last few weeks central bank intervention has been necessary to prevent the krone moving above its ceiling of Bfr 5.6650.

Central bankers, meeting in Rome last week, expressed some concern at the different inflation rates in EMS member countries, but at the moment there is no sign of any trouble on that score. Some of the strongest members have the highest inflation rates, but they also have the highest interest rates. Italy's inflation rate of 13.7 per cent is nearly four times higher than Belgium's, while the six-month Euro-lira rate of about 12 1/2 per cent, compares with a Belgian franc rate of around 8 per cent. It has been suggested lately that the weakness of the Belgian currency may lead to a rise in interest rates, but the Belgian National Bank has made no move so far. The four weakest members of the system, in descending order, are the French franc, Dutch guilder, German D-mark, and Belgian franc. The three strongest are Italian lira, Danish krone, and Irish punt. Taking the U.S. dollar as a yardstick, it is found that all four of the weakest currencies stand at a premium over the dollar in the forward foreign exchange market. At the same time the three strongest members are at a discount, although the shorter krone rates are around par.

Because of the relationship between forward rates and interest rates, it follows that high interest rates are helping to support one or two potentially weak currencies. Germany would doubtless argue that these countries should reduce both inflation and interest rates, rather than for her to do the reverse.

CURRENCY RATES

Table with columns for currency, bank, and rate. Includes Sterling, U.S. dollar, and other major currencies.

OTHER MARKETS

Table listing various market indices and rates for different countries like Argentina, Brazil, etc.

THE DOLLAR SPOT AND FORWARD

Table showing dollar spot and forward rates for various currencies and time periods.

GOLD

Table showing gold prices in various currencies and locations like London, Zurich, etc.

PENDING DIVIDENDS RECENT ISSUES

For the convenience of readers the dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements, except where the forthcoming Board meetings (indicated thus) have been officially declared. It should be emphasized that the dividends to be declared will not necessarily be at the amounts or rates per cent shown in the column headed "Announcement last year". Preliminary profit figures usually accompany final dividend announcements.

Table listing pending dividends and recent issues for various companies, including dates and amounts.

EQUITIES

Table showing equity prices and movements for various stocks like Appl. Computer, Galenoid, etc.

FIXED INTEREST STOCKS

Table listing fixed interest stocks and their yields, including various government and corporate bonds.

"RIGHTS" OFFERS

Table listing rights offers for various companies, including details on the offers and terms.

BASE LENDING RATES

Table showing base lending rates for various banks and financial institutions, including A.B.N. Bank, Allied Irish Banks, etc.

Public Works Loan Board rates

Table showing Public Works Loan Board rates for various types of loans and maturities, including effective from April 7.

EURO-CURRENCY INTEREST RATES

Table showing Euro-currency interest rates for various currencies and time periods.

LONDON MONEY RATES

Table showing London money rates for various currencies and time periods.

MONEY RATES

Table showing money rates for various currencies and time periods.

LONG-TERM EURO-DOLLAR DEPOSITS

Table showing long-term Euro-dollar deposit rates for various currencies and time periods.

APPROXIMATE SELLING RATES

Table showing approximate selling rates for various currencies and time periods.

FRANCE

Table showing financial data for France, including interest rates and other metrics.

JAPAN

Table showing financial data for Japan, including interest rates and other metrics.

CAB Judge recommends Continental-Western plan

WASHINGTON

Mr. Stephen J. Gross, CAB administrative law judge, has recommended approval for the proposed merger of Continental Airlines and Western Airlines, subject to the condition that they follow through on a promise to reduce air fares. Mr. Gross said, "The balance tilts towards approval and that's what the decision recommends."

Decision by Brascan directors

TORONTO

In a letter to shareholders Mr. J. H. Moore, the chairman and chief executive of Brascan, said that the Board had considered the possibility of submitting Brascan's proposed U.S.S.I.13bn bid for F.W. Woolworth—or any other investment decision that might have been made—to Brascan shareholders, but decided against it.

The directors concluded "it wasn't practical or possible, if the interests of shareholders and third parties were to be adequately protected, to evaluate any specific investment proposal in a public meeting of shareholders." Mr. Moore also commented that a meeting of shareholders was not legally required. Edger Equities, which last week abandoned a plan to offer to acquire a 50 per cent interest in Brascan, has said that shareholders representing about 50 per cent of Brascan's stock have contacted Edger and expressed concern they "weren't consulted" about Brascan's bid for Woolworth. Edger, which already holds about 5 per cent of Brascan's stock, also said it may seek to block the Woolworth bid by soliciting support for a Brascan shareholder meeting to vote on the proposal. Mr. Moore also said that Brascan believes its offer for Woolworth "is fair to Woolworth stockholders and that its satisfactory consummation would permit Brascan to maintain its present dividend policy and eventually to improve the level of its dividends. Edger has said that on the basis of its "studies so far" the Woolworth offer "presents severe problems to Brascan with a substantial negative impact on Brascan's cash flow." Mr. Moore said that the directors believe that if the company had been able to consider the material available to the board of directors, they would appreciate that the (Woolworth) decision is in their best interests and based on valid and compelling reasons." AP-DJ

Talks on Asbestos Corp. held with Quebec officials

BY ROBERT GIBBENS IN MONTREAL

THE QUEBEC Government and executives of General Dynamic Corporation (GDC) met last week in an attempt to press forward negotiations for the Government takeover of Asbestos Corporation, Canada's second largest fibre producer, towards settlement. General Dynamics owns 54.8 per cent of Asbestos Corporation and says it does not wish to sell control to the Quebec Government, though it is willing to negotiate. Its advisers have valued the Asbestos shares at nearly C\$100 a share, while the Government has tentatively offered between C\$40 and C\$42 a share for the GDC stake.

Hercules sees higher earnings

HOUSTON

Chemicals and plastics group, expects operating earnings in the first quarter of at least double those of the 1978 quarter, with the second quarter even better than the first, the president Mr. A. F. Giacco told analysts. First quarter net will be somewhat less than double, because of anticipated write-offs, but will still be higher than a year ago. The company had net income of \$1.82m and operating earnings of \$2.6m in the first quarter of last year. It plans to announce earnings for the quarter tomorrow.

Asbestos shares at nearly C\$100 a share, while the Government has tentatively offered between C\$40 and C\$42 a share for the GDC stake. General Dynamics said in St. Louis that it expected the first specific offer to be made by the Government at the 12th Quebec City, it was understood that the Finance Minister, Mr. Jacques Parizeau, would attend the meeting, and officials implied that a specific offer might be forthcoming.

WORLD STOCK MARKETS

Companies and Markets

Early Dow fall of 9 points

INVESTMENT DOLLAR... The Dow Jones Industrial Average suffered a setback... Closing prices and market reports were available for this edition.

NYSE All Common Index reacted 42 cents to 87.11 and losses outnumbered advances by nearly a four-to-one ratio.

General Public Utilities, which rallied a little last week, eased 1/4 point to 81.10.

dominantly easier on Canadian shares early yesterday in a light business. Volume in Toronto reached only 1.1m shares at noon.

NEW YORK

Table of stock prices for New York, including columns for Stock, Apr. 12, Apr. 11, Apr. 10, Apr. 9, Apr. 8.

Canada

Table of stock prices for Canada, including columns for Stock, Apr. 12, Apr. 11, Apr. 10, Apr. 9, Apr. 8.

HONG KONG

Table of stock prices for Hong Kong, including columns for Stock, Apr. 12, Apr. 11, Apr. 10, Apr. 9, Apr. 8.

CANADA

Table of stock prices for Canada, including columns for Stock, Apr. 12, Apr. 11, Apr. 10, Apr. 9, Apr. 8.

EUROPEAN OPTIONS EXCHANGE

Table of European options exchange data, including columns for Series, Vol., Last, and Stock.

BANK RETURN

Table showing bank return statistics for Wednesday, April 11, 1979.

BANKING DEPARTMENT

Table of banking department data, including liabilities and assets.

ISSUE DEPARTMENT

Table of issue department data, including notes issued and in circulation.

AMERICAN COMMODITIES

Table of American commodity prices, including columns for Item, Price, and Date.

Indices

Table of various indices, including Dow Jones, Standard and Poors, and others.

NEW YORK - DOW JONES

Table of Dow Jones index data for New York, including 1979 and 1978 data.

INDICES

Table of financial indices, including Dow Jones and others.

MOODY'S

Table of Moody's ratings and financial data.

GERMANY

Table of German stock market data, including columns for Stock, Price, and Div. Yld.

AMSTERDAM

Table of Amsterdam stock market data, including columns for Stock, Price, and Div. Yld.

COPENHAGEN

Table of Copenhagen stock market data, including columns for Stock, Price, and Div. Yld.

VIENNA

Table of Vienna stock market data, including columns for Stock, Price, and Div. Yld.

DOW JONES

Table of Dow Jones index data, including columns for Date, High, Low, and Close.

REUTERS

Table of Reuters index data, including columns for Date, High, Low, and Close.

TOKYO

Table of Tokyo stock market data, including columns for Stock, Price, and Div. Yld.

BRUSSELS/LEMBOURG

Table of Brussels/Lombourg stock market data, including columns for Stock, Price, and Div. Yld.

SWITZERLAND

Table of Swiss stock market data, including columns for Stock, Price, and Div. Yld.

MILAN

Table of Milan stock market data, including columns for Stock, Price, and Div. Yld.

STOCKHOLM

Table of Stockholm stock market data, including columns for Stock, Price, and Div. Yld.

OSLO

Table of Oslo stock market data, including columns for Stock, Price, and Div. Yld.

JOHANNESBURG

Table of Johannesburg stock market data, including columns for Stock, Price, and Div. Yld.

PARIS

Table of Paris stock market data, including columns for Stock, Price, and Div. Yld.

SPAIN

Table of Spanish stock market data, including columns for Stock, Price, and Div. Yld.

BRASIL

Table of Brazilian stock market data, including columns for Stock, Price, and Div. Yld.

INTERNATIONAL CAPITAL MARKETS

BY JOHN EVANS

U.S. rates resume upward march

THE SPECTRE of high U.S. interest rates again stalked the Eurodollar bond market last week, casting a shadow over the buoyant trading conditions enjoyed in the last couple of months.

Seasoned issues displayed net losses ranging to a point, which put part of the broad advance earlier in April. The view is gaining ground in Europe that short-term U.S. rates, amid signs that the American economy is over-heating, are due for another push upwards before peaking out.

Analysts argue that even if the Fed decides on some tightening in monetary policy, the yield structure for quality bonds need not necessarily have to move up to the 10 per cent level again. In fact, the international bond markets are providing little alternative for investors at the moment.

In the "hard currency" sectors, both the foreign Deutsche Mark and Swiss franc markets were weaker again. The DM 100m offering from Credit National was issued at 99 1/2, falling to 98.90-97.40 in secondary trading.

"Tokyo Eurodollar" issue will be based on a \$65m offering in Japan by a group led by Nomura Securities, and \$35m in Europe via S. G. Warburg and Nomura. Terms will be fixed this week.

INTERNATIONAL FINANCE

Shadows over performance guarantees

COMPETITIVE conditions in the market make this a time when international banks are particularly stressing the fee-earning side of their business. So it is an irony that while events in Iran have not had much upward impact on loan spreads, they should have cast a shadow over a popular source of fees—the guarantee business.

Guarantees are the cement that binds the contractor and the customer together in many international export contracts. They are equivalent to a letter of credit made out in favour of the buyer by a bank on behalf of the contractor.

There may also be an "advance payment guarantee", the customer makes an advance payment to the contractor, but holds a letter of credit for this amount allowing him to get his money back should the contractor fail to satisfy. This will often be paid off gradually by the customer deducting a proportion of his payments while the guarantee is reduced as well.

nevertheless, the development was a reminder to banks that more than the qualities of the contractor are at stake when they issue guarantees. Every aspect of the potential claim for payment must be very carefully defined as well.

French franc FRN issues by Citibank

CITIBANK SA, a French merchant banking unit of the major New York banking group, has announced the issue of FFR 350m of floating rate notes.

Table with columns: Borrowers, Amount m., Maturity, Av. life years, Coupon %, Price, Lead manager, Offer yield %. Includes sections for U.S. DOLLARS, D-MARKS, SWISS FRANCS, CANADIAN DOLLARS, FRENCH FRANCS, KUWAITI DINARS, SPECIAL DRAWING RIGHTS, and BELGIAN FRANCS.

U.S. BONDS BY JOHN WYLES

All eyes on the Fed

BOND PRICES fell sharply across a broad front in New York last week as investors gave credence to widespread reports of Administration pressure on the Federal Reserve Board to tighten monetary policy.

Kaufman goes on to argue that the next monetary policy tightening move should begin with an at least 50 basis points increase in the funds rate and be followed by subsequent increases if the momentum of inflation is to be braked through monetary policy.

FT INTERNATIONAL BOND SERVICE

Table of U.S. DOLLAR STRAIGHTS and DEUTSCHE MARK STRAIGHTS with columns for Issued, Bid, Offer, Change on day, Yield.

Table of OTHER STRAIGHTS, FLOATING RATE NOTES, and CONVERTIBLE BONDS with columns for Issued, Bid, Offer, Change on day, Yield.

Table of BONDTREDE INDEX AND YIELD, EUROBOND TURNOVER, and STRAIGHT BONDS with columns for Index, Yield, and Bond details.

Trade Indemnity advertisement featuring a large circular graphic with 'Trade Indemnity' text, 'Points from Mr. K. M. Bevins's statement to shareholders', and a bar chart showing 'Premium Income' from 1974 to 1978.

AUTHORISED UNIT TRUSTS

Abbey Unit Tr. Mgrs. (a) 72-80, Garsfield Rd, Aylesbury Abbey Unit Tr. 11.21 11.21 Abbey Income 11.21 11.21 Abbey Growth 11.21 11.21 Abbey Prop. 11.21 11.21 Abbey Div. 11.21 11.21	Allen Harvey & Ross Unit Tr. Mgrs. 45, Cornhill, London EC3V 3PB AHR Unit Tr. 10.5 10.5 AHR Div. 10.5 10.5	Allied Hambro Group (a) Hambro Unit Tr. 10.5 10.5 Hambro Div. 10.5 10.5	Barclays Unit Tr. Mgrs. (a) 25, Abchurch Lane, London EC4N 3DF Barclays Unit Tr. 10.5 10.5 Barclays Div. 10.5 10.5	Baring Brothers & Co. Ltd. (a) 20, Abchurch Lane, London EC4N 3DF Baring Unit Tr. 10.5 10.5 Baring Div. 10.5 10.5	Bishopsgate Progressive Mgmt. Co. 25, Abchurch Lane, London EC4N 3DF Bishopsgate Unit Tr. 10.5 10.5 Bishopsgate Div. 10.5 10.5	Bridge Fund Managers (a) 25, Abchurch Lane, London EC4N 3DF Bridge Unit Tr. 10.5 10.5 Bridge Div. 10.5 10.5	British Life Office Ltd. (a) 25, Abchurch Lane, London EC4N 3DF British Life Unit Tr. 10.5 10.5 British Life Div. 10.5 10.5	Brown Shipley & Co. Ltd. (a) 25, Abchurch Lane, London EC4N 3DF Brown Shipley Unit Tr. 10.5 10.5 Brown Shipley Div. 10.5 10.5	Capital Fund Mgmt. Ltd. (a) 25, Abchurch Lane, London EC4N 3DF Capital Fund Unit Tr. 10.5 10.5 Capital Fund Div. 10.5 10.5	Carlisle Unit Tr. Mgrs. Ltd. (a) 25, Abchurch Lane, London EC4N 3DF Carlisle Unit Tr. 10.5 10.5 Carlisle Div. 10.5 10.5	Charlton Unit Tr. Mgrs. Ltd. (a) 25, Abchurch Lane, London EC4N 3DF Charlton Unit Tr. 10.5 10.5 Charlton Div. 10.5 10.5	Cheriton Unit Tr. Mgrs. Ltd. (a) 25, Abchurch Lane, London EC4N 3DF Cheriton Unit Tr. 10.5 10.5 Cheriton Div. 10.5 10.5	Cheriton Unit Tr. Mgrs. Ltd. (a) 25, Abchurch Lane, London EC4N 3DF Cheriton Unit Tr. 10.5 10.5 Cheriton Div. 10.5 10.5	Cheriton Unit Tr. Mgrs. Ltd. (a) 25, Abchurch Lane, London EC4N 3DF Cheriton Unit Tr. 10.5 10.5 Cheriton Div. 10.5 10.5
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INSURANCE AND PROPERTY BONDS

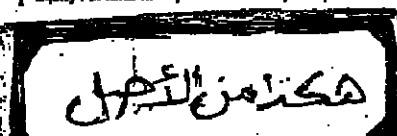
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OFFSHORE AND OVERSEAS FUNDS

Alexander Fund 37, rue Notre-Dame, Luxembourg Alexander Fund 10.5 10.5 Alexander Div. 10.5 10.5	Allen Harvey & Ross Inv. Mgt. (C.I.) 45, Cornhill, London EC3V 3PB Allen Harvey & Ross Inv. Mgt. 10.5 10.5 Allen Harvey & Ross Div. 10.5 10.5	Arbuthnot Securities (C.I.) Limited P.O. Box 284, St. Helier, Jersey Arbuthnot Securities 10.5 10.5 Arbuthnot Securities Div. 10.5 10.5	Bank of America International S.A. 30 Boulevard Royal, Luxembourg Bank of America International 10.5 10.5 Bank of America International Div. 10.5 10.5	Bank of America International S.A. 30 Boulevard Royal, Luxembourg Bank of America International 10.5 10.5 Bank of America International Div. 10.5 10.5	Bank of America International S.A. 30 Boulevard Royal, Luxembourg Bank of America International 10.5 10.5 Bank of America International Div. 10.5 10.5	Bank of America International S.A. 30 Boulevard Royal, Luxembourg Bank of America International 10.5 10.5 Bank of America International Div. 10.5 10.5	Bank of America International S.A. 30 Boulevard Royal, Luxembourg Bank of America International 10.5 10.5 Bank of America International Div. 10.5 10.5	Bank of America International S.A. 30 Boulevard Royal, Luxembourg Bank of America International 10.5 10.5 Bank of America International Div. 10.5 10.5	Bank of America International S.A. 30 Boulevard Royal, Luxembourg Bank of America International 10.5 10.5 Bank of America International Div. 10.5 10.5	Bank of America International S.A. 30 Boulevard Royal, Luxembourg Bank of America International 10.5 10.5 Bank of America International Div. 10.5 10.5	Bank of America International S.A. 30 Boulevard Royal, Luxembourg Bank of America International 10.5 10.5 Bank of America International Div. 10.5 10.5	Bank of America International S.A. 30 Boulevard Royal, Luxembourg Bank of America International 10.5 10.5 Bank of America International Div. 10.5 10.5	Bank of America International S.A. 30 Boulevard Royal, Luxembourg Bank of America International 10.5 10.5 Bank of America International Div. 10.5 10.5	Bank of America International S.A. 30 Boulevard Royal, Luxembourg Bank of America International 10.5 10.5 Bank of America International Div. 10.5 10.5
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NOTES
Prices do not include 5% premium, except where indicated. Values are given in full column unless otherwise stated. Values are given in full column unless otherwise stated. Values are given in full column unless otherwise stated.



APPOINTMENTS

Top changes at Jardine Insurance

Mr. Mark Dawson will become managing director of JARDINE MATHESON Underwriting Agencies and deputy chairman of Jardine Matheson Insurance Brokers (UK) on May 1. Mr. Martin Wakeley will join Jardine Matheson Insurance Brokers (UK) from Bland Payne (UK) and succeeds Mr. Mark Dawson as managing director today.

Mr. D. D. Dennis, senior vice-president and general manager for the UK and Ireland of the CANADA LIFE ASSURANCE COMPANY, will be retiring at the end of this month. He will remain on the Board of the company's British subsidiaries and become honorary vice-president.

Mr. Derrick J. Fillingham, previously operations director of STEWART AND SON OF DUNDEE has been appointed managing director. Mr. John J. Blanche, formerly managing director, has been appointed chairman.

W. Greenwell and Co. stockbrokers state that on May 16 Mr. J. Plymen will be retiring from the partnership and Mr. W. E. A. Bain, Mr. R. M. Harvey, Mr. R. B. Pomphrey and Mr. R. F. Womfor will become partners.

Mr. George J. Yapp has become corporate vice president and managing director of QUAKER OATS in the UK. He succeeds Mr. Byron Felter who is returning to the U.S. to a senior appointment at the company's corporate headquarters in Chicago.

Mrs. Susan Price has been appointed company secretary of ARTHUR PRICE OF ENGLAND. For some time she has been director of the company and company secretary of Price Marketing Associates, a separately constituted company. Mrs. Price is the wife of chairman Mr. John Price. She succeeds Mr. Tom Rickinson, who with Arthur Price now spans 52 years. Although resigning his official positions, Mr. Rickinson will continue to have a connection with the company as financial consultant.

Mr. Joe Morrison becomes managing director of HATTERSLEY NEWMAN HENDER. Ormskirk-based cast iron and bronze valve manufacturing subsidiary of Pegler-Hattersley. Mr. Morrison, a cost and management accountant, joined the company on April 2 after five years as managing director of Serek Audco Valves International.

At PORTMAN BUILDING SOCIETY Lord Wakefield of Kendal has retired from the vice-chairmanship but remains a director. Sir Desmond Plummer has been appointed vice-chairman. Mr. Leslie M. Slot has retired from the Board and Mr. J. E. W. Heard has been appointed a director.

PLANTS AT WORK, growers and suppliers to offices and the trade of tropical and semi-tropical plants, has appointed Mr. Frank Corrie as marketing director. Mr. Graham Cotton, technical director and Mr. H. E. Ginn, non-executive director.

Mr. Brian Tytherleigh has been appointed senior vice-president.

dent of ADP NETWORK SERVICES INC., the U.S.-based subsidiary of Automatic Data Processing which handles the corporation's interests in interactive computing systems. He is managing director of ADP Network Services, the UK operating company, and also president of ADPNS International responsible for services in continental Europe. These organisations remain his prime responsibility.

Mr. Colin Mitchell has been appointed marketing director of the supermarkets division of WILLIAM LOW AND COMPANY.

Mr. T. H. Whitman has been elected chairman of the COVENTRY ECONOMIC BUILDING SOCIETY in succession to Mr. W. R. Headley who has completed the customary two years in the chair. Mr. C. Mortimore elected deputy chairman of the society. Mr. Whitman is a former Lord Mayor of the City of Coventry. Mr. Mortimore who was formerly general manager of the society, joined the Board in 1968.

Mr. Geoffrey Otton, deputy secretary in the DEPARTMENT OF HEALTH AND SOCIAL SECURITY, has been promoted to the post of Second Permanent Secretary in that Department. He will succeed Sir Alec Atkinson, who retires from the Civil Service in June.

Mr. Kenneth Woolverton has been appointed within the MINISTRY OF OVERSEAS DEVELOPMENT as new head of the British Development Division in the Middle East. He succeeds Mr. John Bowley who is returning to London to join Crown Agents as regional controller for the Middle East.

Mr. D. J. Mead, managing director of the DENYER COMPANY, is to take over the additional position of executive chairman from May 25. Mr. C. W. Perry is retiring from the chairmanship and the Board and will be made life president.

Mr. R. M. McKennie has become joint managing director of D. T. BULLOCK AND CO. Mr. H. L. Shackleton, the present managing director, takes over other responsibilities as a group director. Mr. C. R. Whitehead has been appointed an associate director of Bullock Development, the group's industrial and commercial property development company. The parent concern is Whittaker Ellis Bullock Group.

Mr. C. J. Baker has been elected deputy chairman of the ALLIANCE BUILDING SOCIETY in succession to Mr. R. H. Coleman-Cohen, who vacates the position after his year of office.

Mr. Clive Chilton has been appointed production director for the UK and Ireland of BRISTOL-MYERS COMPANY.

Mr. Douglas A. V. Johnson has been appointed vice-president of PAUL R. RAY INTERNATIONAL based in the London office. Mr. Peter M. Q. Mobsby has joined the company as an associate consultant.

F. W. Barnard has appointed Mr. A. E. Miles as managing director.

INSURANCE

Risks to computers and peripherals

BY ERIC SHORT

COMPUTERS are an integral part of modern business life, giving a new field of business to the engineering insurance companies which insure computers and associated risks. The insurers are still researching ways to meet the specialised needs of companies which use computers.

All computer manufacturers offer a comprehensive maintenance contract which gives considerable insurance cover. The manufacturer will replace all damaged material as a result of fire, flood, and breakdown. Therefore, in most companies unauthorised personnel are not allowed into the computer room and some will not allow eating or drinking. A cup of coffee spill over the input keyboard could cause considerable damage.

But even with these precautions, negligence is not unknown and the main insurance cover offered is against breakdown as a result of neglect. More important is the loss that can occur while the computer is idle. There is a need for adequate consequential loss cover. The effect of an interruption in business can result in a severe financial loss.

Advice

Insurance companies and brokers regard advice on how to minimise losses as part of their service. Risk management is now an integral part of insurance. The company can arrange back-up facilities, and give advice on fire-proof safes. Insurance companies insist that duplicates of all working tapes and discs are kept. The mini computer has caused the insurance companies to redraft their contracts. Mini computers are situated in ordinary office space and are not housed on a separate floor and hermetically sealed off from

the rest of the building. The risk of a breakdown is much greater, but the disruption caused is smaller.

The problem with a new field of insurance is that it takes time to build up a portfolio of risks on which the underwriter can base his rating. As fast as one generation of computers is come to terms with—another appears.

The insurance cover relates to more than the main computer unit. It also covers the vast array of peripheral equipment which is more likely to break down.

A new risk is now entering the computer field—misuse and fraud. In normal business insurance, fidelity guarantee against fraudulent acts of employees is covered under the standard accident insurance policy. But this was based primarily on clerks adding the petty cash. It is not geared to the massive frauds that can occur on a computer.

Such frauds are very difficult to discover unless the computer is monitored continuously, which is virtually impossible. Many companies do not appreciate how vulnerable they are to such frauds. They only find out the hard way.

Accidents are another problem. It is not unknown that, in spite of all precautions, a complete program can be wiped out. The insurance cover will pay for a new program. There is also the question of responsibility to the consumer so professional indemnity cover is now part of the standard computer insurance contract.

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Banks' figures in breach of law, say accountants

By MICHAEL LAFERTY, BANKING CORRESPONDENT

THE ANNUAL ACCOUNTS of the big London and Scottish clearing banks are in breach of the requirements of company law, and have been for the past nine years, say a number of leading chartered accountants.

This view is effectively admitted by bank audit partners in some of the largest accounting firms.

The position has become clear only after extra disclosures about bad debt provisions in the latest accounts of the clearers.

It is certain to be a major factor in moves by the clearing banks expected shortly to make next year's accounts more comparable.

A call for better comparability in bank accounts has come recently from Sir Jeremy Morse, chairman of Lloyds Bank, while Mr. Anthony Tuke, chairman of Barclays Bank has said he would be willing to see more disclosure in bank accounts.

The alleged breach arises from the clearing banks' action of setting aside amounts described as "general provisions" in their accounts.

They are in addition to specific bad debt provisions made against advances whose recovery is doubtful.

Some City analysts suspect that the general provisions may be used by banks for smoothing profits from one year to the next.

Seen as reserves

The banks are justified in making provisions only if the amounts set aside as a deduction from profit are in respect of liabilities or losses known to exist at the balance-sheet date.

A number of bank auditors accept that the general provisions are significantly more than the provisions actually necessary in the clearers' accounts.

One audit partner describes the general provisions quite simply as reserves. This means that they ought not to be treated as a reduction in the amount of bank advances but as part of the banks' funds for shareholders.

In the 1978 accounts. Instead the banks published the aggregate amount of both specific and general provisions.

In the case of Barclays Bank the total amount provided was £400m, against shareholders' funds of £1.3bn.

The other three big London clearers calculated the general provisions on a different basis to Barclays, setting aside proportionately only half as much on the grounds that should debts eventually prove bad, they would qualify for tax relief at 52 per cent.

Despite the fact that the clearers have not revealed the amounts of the general provisions, the disclosures in the recent batch of accounts highlighted a number of anomalies within the clearers.

Most outstanding are the two methods, one appearing to give a figure about twice the size of the other, used for calculating the level of the general provisions.

Barclays and Bank of Scotland set aside £100 for every £100 of potential bad debts they wish to provide for.

National Westminster, Lloyds and Midland provide only £48 for every £100.

sharp focus when it is realised that Barclays and Lloyds are both audited by Price Waterhouse, London.

The question of whether the general provisions are necessary at their present levels—or at all—came up when the banks discussed their latest result at Press briefings this year.

'Not necessary'

One senior banker described the amounts as "reserves which are not distributable" while another said that it had never been necessary to use the general provisions. "You always provide enough specifically."

Bank audit partners admit that they expect to see the amounts of the general provisions gradually reduced in the next few years to a level more realistic and in line with the experience of U.S. banks.

The general provisions were established in bank accounts in 1970, at the time when the banks voluntarily gave up their right to secret reserves.

This legal privilege was withdrawn by statutory instrument on February 26, 1970.

Support for the view that the amounts are in reality reserves is to be found in the Price Commission's report.

Teachers' action on pay demand

By Christian Tyler, Labour Editor

SCHOOLTEACHERS will be told to give up most duties outside the classroom from next week, when the summer term begins, in protest at the failure of their pay negotiations.

The decision was taken by the annual conference of the biggest union, the National Union of Teachers, and is likely to be repeated by the conference of the National Association of Schoolmasters—Union of Women Teachers this week.

The unions claim that the Government and the local authorities have abandoned a commitment to restore the value of a special pay award made by the Houghton Committee in 1974. This, they say, shows that teachers are now rising to 36.5 per cent.

Like other public service employees, the teachers have been offered 9 per cent and a reference to the Clegg Commission on pay comparability.

Less generous

Although the "withdrawal of goodwill" is due to begin next Monday, further talks have been arranged for the following day. This gives the employers a last chance, union leaders said at the weekend.

The 482,000 schoolteachers in England and Wales have been told that if they take the 9 per cent, back-dated to April 1, they will get the award of the standing commission on pay in two equal instalments, in 1980 and 1981.

The offer is less generous than for other public employees.

Negotiations have been complicated by disagreements between the two biggest unions. The NAS-UWT has accused the NUT of betraying the profession by entertaining a reference to the Clegg Commission.

The last talks broke up after 13 hours with the unions and employers unable to agree terms of reference for taking the claim to the commission.

If the action is supported by the teachers, it will be a major step towards ending the pay dispute.

Election halts £100m industrial aid

By JOHN ELLIOTT, INDUSTRIAL EDITOR

PLANS FOR the Department of Industry to launch a fresh tranche of selective industrial aid totalling between £100m and £150m for major investment projects have been frozen in Whitehall pending the outcome of the General Election.

The tranche, which was being vetted for approval by the Treasury when the election was declared, would have been used to roughly double the size of the existing £150m Selective Investment Scheme.

It could have amounted to one of the biggest allocations ever made to a single aid scheme by the Department of Industry.

Judging by the way this scheme has operated since its introduction two years ago under the 1972 Industry Act, about half of the aid would have been spent in the next few years attracting major foreign capital investment projects into Britain.

Existing arrangements for applications to be made for aid under the present £150m scheme expire at the end of June. Because of this, the Government was planning to extend and enlarge the scheme.

A Conservative Government would therefore have to decide, soon after the election, whether to tone down its opposition to such aid schemes and approve at least a limited extension in order to give the Industry Department money needed to bid for internationally mobile investment projects.

During the past few years there has been increasing international competition, especially in Europe and the U.S., for attracting inward investment projects. One of the largest won by the UK so far is the £140m Hoffman La Roche vitamin C plant announced for Scotland last October.

That project is to receive £150m from the selective investment scheme, the largest amount so far agreed. Without

it, ordinary regional aid would not, in the opinion of the Industry Department, have been enough to stop the plant being built in another country.

Because of international competition, Conservative Party leaders now appear to accept that they would need to allocate aid in some form or other for inward investment, although they might try to work over a period of years towards an international agreement restricting the amount of aid that can be offered.

A Conservative government would also have to make immediate decisions about the future of two or three major projects now being processed by the department for aid of up to £20m each, and about other aid applications in the pipeline.

A new Labour government would almost certainly approve the overall extension of the scheme with the extra £100m to £150m allocation. Its election manifesto last week said it would continue with the aid

scheme, and the last public spending White Paper, published in January, included a £200m allocation of general funds for "industrial support" for 1980 to 1983. Part of this allocation would have gone to the scheme.

So far £77m has been allocated to projects out of the £150m available. This covers 120 projects, with a total cost of £787m, expected to provide balance of payments benefits of £550m a year by 1982 and £700m a year by 1985.

Out of these, 20 internationally mobile projects, costing £344m, have been attracted into the UK with aid of £31m. In general, the alternative sites being considered by the companies concerned were in Europe and the U.S.

Applications now being studied by the Industry Department would take up the balance between the £77m so far allocated and the present total budget of £150m.

Continued from Page 1

Thatcher

as Conservatives, but were held back by old loyalties and prejudices.

The other main burden of her attack was that underlying Labour's call for continuity was a "shameless appeal to voters to accept our national decline as inevitable and simply make the best of it—a summons to apathy, a clarion call for inertia and indolence."

In her view Labour's campaign slogan was "Carry on downhill with Labour, carry on wheeling, carry on dealing, carry on down, carry on out."

The full magnitude of the decline under Labour in the last five years had been concealed effectively by North Sea oil, the windfall of the century, which should have been hunched and deployed in long-term investment. Instead, it had been treated like a win on the pools, and frittered away.

Even so, Britain now had the worst rate of growth of any major industrial country, with the exception of Luxembourg, the lowest hourly wages with the exception of Ireland, and income per head behind France, Germany, Holland, Austria, and only a whisker ahead of Czechoslovakia.

Mr. James Prior, Tory employment spokesman, sought to counter Mr. Callaghan's argument that the Tories would immediately withdraw all State aid when he insisted last night that the Scottish Development Agency and similar bodies would be kept in operation.

He said in a speech in Melrose that the agency would be retained, and given the task of easing the transition in declining areas by assisting growth of modern industries. It would be given new guidelines instead of being allowed to prop up failures or invest in inefficient companies.

In addition, he promised that those firms in which the agency bought shares would have the right to buy them back "at an appropriate moment."

The danger of setting too much store by governments and and government agencies was that they were not as astute as industry itself in seizing the main opportunities. Nevertheless, they could play a valid part in easing the process of change and ensuring that people did not suffer unnecessarily.

Japan raises discount rate

By CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

THE BANK OF Japan yesterday announced the first increase in its official discount rate since the adoption of an easy money policy in the spring 1973.

The rate is 4.25 per cent, a rise of 0.75 per cent from the 3.5 per cent level at which it stood for just over a year.

The change reflects increasing government concern about renewed inflation (reflected in recent rapid increases in the wholesale price index) and about the near collapse of demand for government bonds on the national bond market. But it does not mean, officials claim, that Japan is shifting to a tight money policy.

Wholesale prices rose by 0.9 per cent in March, marking the fifth consecutive monthly rise since the index touched bottom last October. The year-to-year

rise in prices is still minimal since the index was falling during much of the early part of 1978. However, the government estimates that a continuation of the present trend would mean an annual rise of between 7 and 8 per cent in wholesale prices with the probability of a faster gain in consumer prices.

The rise is attributed to recent gains in world commodity markets, the impact of yen depreciation on the price of Japanese imports, and to a sharp recovery in domestic demand for certain raw materials.

Of the three factors, yen depreciation is held responsible for 30-40 per cent of the rise in prices since last October, while another 20-30 per cent is put down to commodity price rises. That leaves around 40 per cent for the effects of in-

creasing domestic demand, the factor which is seen as being the least serious cause for anxiety.

Officials at the Economic Planning Agency say that demand-generated inflation will be absorbed in due course by an increase in industrial production and is thus a "healthy" aspect of the present economic situation. But yen depreciation is felt to have gone far enough for the time being.

The yen is now floating in the region of 215 to the dollar, compared with the peak level of 175 last October. Further depreciation from the present parity could increase the competitive strength of Japanese exports at a time when friction continues with major trading partners such as the U.S. and the EEC.

Sadat warns treaty opponents

By ROGER MATTHEWS IN CAIRO

PRESIDENT SADAT of Egypt has attacked internal critics of the peace treaty with Israel amid clashes in Upper Egypt between Christians and Moslems.

The President said he had given police orders to shoot anyone attempting to sabotage private or state property and he warned students that they faced 25 years hard labour if they fomented sectarian strife.

His remarks, part of the run-up to Thursday's referendum when the electorate will be asked to approve the treaty, were aimed particularly at the Moslem Brotherhood. The Brotherhood, a fundamentalist Islamic organisation, is strongly opposed to the pact with Israel.

Although technically banned, it has recently been tolerated and now dominates the university student unions.

Mr. Sadat admitted publicly for the first time that Christians and Moslems had clashed in the past two months in the Upper Egyptian areas of Assiut and Menia. A number of people, mainly students, were injured.

He added that political activities within the universities would be banned although students would be allowed to play a political role outside the campus.

Mr. Sadat has claimed that opposition to the treaty has been financed and organised by external elements—essentially Communists and those "hiding behind religious banners."

Continued from Page 1

Saudi oil

Israeli peace treaty, and reports reaching Washington recently have indicated a decline in the influence of Crown Prince Fahd, long regarded as a proponent of closer U.S. links with the Riyadh Government.

Publication of this report may damage U.S.-Saudi relations. Senator Frank Church, Chairman of the Foreign Relations Committee, has been asked by the State Department not to release the document, which uses information from internal reports of the Aramco consortium oil companies. But the committee unanimously decided to ignore this request. The report estimated

current Saudi oil reserves at 177.6bn barrels, one-quarter of the world's total.

Several years ago, the Saudi Government believed it could produce 20m barrels daily until the end of the century, and even as recently as 1977 it was thought that production could be sustained at 16m b/d.

Even at a rate of production of only 12m b/d, reserves would begin to run out in ten to 20 years, the report says, and the run-down will begin in about seven years.

The report says that Saudi Arabian officials have clamped tight restrictions on how much oil they will permit Aramco to take from the fields.

Weather

UK TODAY

NORTH-EAST England and Scotland cloudy with occasional rain but the rest of Britain will be mainly dry with sunny periods.

London, Cent. S. England, Midlands, Channel Isles, S.W. England, S. Wales Dry, cloudy at times. Max. 17C (63F).

S.E. and E. England, East Anglia Mainly dry. Some showers near east coast. Max 16C (61F).

Cent. N. England, N.E. England Mainly dry but rather cloudy at times. Max 14C (57F).

I.O.M., Wales, N.W. England, Scotland, Orkney, Shetland Rather cloudy with occasional rain, becoming drier and brighter later. Max 11C (52F).

Outlook: Mainly dry with some sun in the south. Rather cloudy with a little rain in the north with some frost.

THE long-range forecast is changeable weather during the next 30 days but with some warm sunny days. Temperatures average in south but below average elsewhere.

WORLDWIDE

Table with columns for location, day, and temperature. Locations include Ajaccio, Algiers, Amman, Athens, Beirut, Baghdad, Baku, Bamako, Bangor, Barcelona, Belfast, Belgrade, Bern, Birm., Birmingham, Bonn, Boston, Brno, Bucharest, Budapest, Buenos Aires, Cairo, Cardiff, Casablanca, Chicago, Colombo, Copenhagen, Curitiba, Dallas, Denver, Detroit, Dublin, Edinburgh, Frankfurt, Geneva, Glasgow, Gwangju, Harbin, Helsinki, Hong Kong, Houston, Indianapolis, Istanbul, Jacksonville, Jerusalem, Johannesburg, Kuala Lumpur, London, Lyons, Madrid, Manila, Mexico City, Miami, Moscow, Munich, New York, Nicosia, Ottawa, Paris, Perth, Port of Spain, Prague, Rome, Santiago, Sao Paulo, Seoul, Singapore, Stockholm, Taipei, Toronto, Vancouver, Warsaw, Wellington, Wichita, Zurich.

THE LEX COLUMN Putting a price on British Airways

There is a strong belief in the City that part of the equity in British Airways will be sold to the private sector if the Conservatives win the coming election. In principle, it looks like a good idea; but there are some problems, too, which may explain the fact that the idea does not figure in the manifesto.

Several major European airlines—like Lufthansa, KLM and Swissair—already have a mixed public and private ownership. BA competes in an international market-place, so, selling its shares to the public would not create the kind of conflicts of interest that might arise if, for example, British Gas were to be partly-denationalised. Above all, to already operate like an independent commercial enterprise.

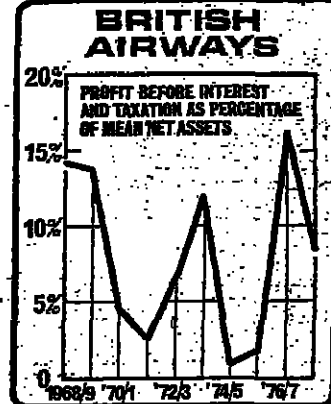
Its stated objective is to generate enough cash to fund its replacement spending, pay a dividend on its public dividend capital and finance part of its expansion programme. Admittedly it has fallen short of this target in the past. But it has recently been shaking off the strings of Government. For instance, it now seems free to buy the kind of aircraft that it thinks make the best commercial sense, rather than those that the Government might prefer it to fly.

Financial strength

The key question is whether BA is financially strong enough to attract private sector investors on anything but knock-down terms. Figures for the year just ended have yet to be published. But it seems likely that retentions during the year coupled with a new treatment of deferred tax will have more or less offset the impact of the decision to write Concordes down to nothing, which knocks out £160m of public dividend capital. So BA's equity base—that is, its public dividend capital plus reserves—could be of the order of £450m, or a bit more than half its capital employed.

If the airline were not wholly State owned, that would represent quite high gearing for what is a cyclical business which in the past four years has generated a pre-interest return of only about 11 per cent on its assets. Moreover, BA faces a enormous spending programme in the near future if it is to comply with noise regulations and replace out-of-date aircraft.

Capital expenditure in the next five years could be nearly



There are obvious risks involved in these objectives, and these would have to be reflected in the price of BA shares were to be offered to the public tomorrow. With the exception of the Japanese companies and Swissair, most of the world's quoted airlines currently sell at a substantial discount to net assets and on a very low multiple of last year's generally buoyant earnings. KLM, for instance, is priced at around 80 per cent of its book worth and at perhaps 34 times its 1978 earnings, which have yet to be reported. Many of the big U.S. companies sell at a p/e of under 10 and for Pan American the figure is less than 8.

Stock market value

BA would be doing well to obtain a stock-market value of more than £300m for its entire equity. That could represent very roughly four times its earnings in 1978-79, but on the basis of average earnings in the past six years—three reasonable one poor, and two stakers—the multiple at that price would be in the low teens.

There is no doubt that if the airline does meet its financial targets, it would command a very much higher selling-price in four or five years' time than it would do today. Instead of having to rely on a decidedly shabby profit record and a lot of promises, it would have a solid prospectus with which to tempt private investors. Of course it may be decided to sell shares to the public much sooner than that, in order to make what would undoubtedly be a very striking political gesture. But such a move could backfire in at least two awkward ways.

In the first place, the taxpayer might well feel unhappy about selling assets off to private interests at little more than two-thirds of their written down cost. A much more embarrassing possibility is that BA falls short of its self-financing targets, maybe for no fault of its own. The airline business, after all, is very sensitive to levels of economic activity around the world. Given the size of BA's spending programme over the short term and the current shape of its balance-sheet, a government which said BA shares today could just have to make some very difficult decisions within the space of five years. If things went wrong in that time, would the taxpayer have to subsidise the private investor or—horrors—would the business be re-nationalised?

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